**EUROPE'S BUSINESS NEWSPAPER** 

No. 29,229

Wednesday January 25 1984

D 8523 B

### **NEWS SUMMARY**

#### GENERAL

#### **Andropov Distillers** olive branch to its U.S. Reagan agent

Soviet President Yeni Andropov re-sponded to President Ronald Rea-of Scotch whisky, is negotiating to gan's call for a more constructive U.S. dialogue by indicating Soviet

But, he said, the U.S. would have queray gin. Page 12 to stop trying to conduct talks from a position of strength. In an interview in the newspaper

Pravda today he said there was no sign that the U.S. had changed its negative approach.

Mr Andropov repeated the Soviet call for the U.S. to remove cruise and Pershing 2 missiles from Western Europe as a condition for resuming the Geneva nuclear arms talks.

#### Farmers protest

French pork farmers blocked railway lines in Brittany with trucks and tractors in an anti-Government

#### Turks sentenced

Eight people were sentenced to death and three to life imprison-ment at a trial of 291 left-wingers accused of plotting to overthrow the

#### Iraq gets missiles

Iraq has taken delivery of longrange Soviet-made SS-12 missiles, increasing its ability to hit Iranian oil installations and other targets.

#### Kuwait arms vote

Kuwait's parliament voted 28-8 against setting up an independent arms industry.

#### Morocco strike

Workers struck in the Moroccan city of Nador, the scene of riots last Friday, Most shops, businesses and schools were close

#### **Hunger strike claim**

Imprisoned Soviet dissident Anatoly Shcharansky is on hunger strike, the International Society for Human Rights said.

#### Guard on 'spy'

Norway has put tight security around alleged spy Arne Treholt, who has been remanded in custody for 12 weeks, to protect him against possible attempts on his life by foreign agents.

#### Namibia deaths

Three civilians have been killed in Namibia and nine injured this week by mines planted by black national-ist guerrillas, the South African military authorities said.

#### Abortion bill rift

Portugal's Socialist-Social Democrat coalition is divided over Socialist private member's bill to legalise abortion in limited circumstances. The bill is to be debated today and

#### Alcohol warning

Alcohol use in Australia has reached epidemic proportions, David Hawks, director of Western Australia's alcohol and drug authority, STANDARD OIL of California re-

#### Rally spectator dies

A spectator was killed and several others injured when two Monte Carlo rally cars ran into the crowd near Valence, southern France.

#### Dressing down

Swaziland Premier Prince Bhekempi Dlamini urged Swazi women to stop wearing trousers, miniskirts see-through dresses.

#### **BUSINESS**

# bids for

of Scotch whisky, is negotiating to buy Somerset Importers, the exclusive distributor in the U.S. of its Johnnie Walker whiskies and Tan-

DOLLAR improved in thin trading rising to DM 2.821 (from DM 2.8105), FFr 8.625 (FFr 8.5925), SwFr 2.244 (SwFr 2.235), and Y234.25 (Y233.8). Its Bank of England tradeighted index rose from 131.6 to 132. In New York it closed at DM 2.8265; SwFr 2.2470; FFr 8.6337; and Y234.30. Page 29



STERLING closed 55 points down in London at \$1.401 and fell below \$1.40 in early New York trading. It also eased to FFr 12.08 (FFr 12.0825) and Y328.5 (Y329), but finished unchanged in London at DM 3.955 and SwFr 3.145. Its trade weighting was down from 82 on Monday to 81.6. In New York it closed at \$1.4020. Page 29

GOLD fell \$8.25 to \$365.125 in London, by the same amount in Frank-furt to \$385.25, and by \$6 in Zurich to \$365.25. In New York, the Comex January settlement was \$366.5 (\$365.9). Page 28

index rose 10 points to 824.9. Government securities showed some modest gains. Page 23; FT Share Information Service, Pages 24, 25

PARIS: CAC Générale index advanced 3.8 to a record 171.8, about 70 per cent up on a year ago. Re-port, Page 19; Leading prices, Page 22

WALL STREET: Dow Jones industrial average closed 1.57 down at 1,242.88. Report, Page 19; Full share

prices, Pages 29-22 TOKYO: Nikkei Dow index shed 48.06 and the Stock Exchange index slipped 2.24 to 780.93. Report, Page 19: Leading prices, other exchanges, Page 22

HUNGARY is expected to start nement with the EEC, after over a year of behind-the-scenes contacts. Page 12

JAPAN will increase defence spending in the next financial year by 6.55 per cent to Y2,934bn (\$12.5bn), well above the level wanted by the Finance Ministry.

UGANDA AND KENYA need nearly \$1bn between them in 1984, and the same amount next year, according to World Bank calculations to be put before Paris aid meetings today and next week. Page 12

ported fourth-quarter earnings 5 per cent down at \$403m, but 1983 earnings 15.5 per cent up at \$1.59bn. APPLE COMPUTER, which yesterday launched its Macintosh model, reported net income for the quarter ended December 75 per cent down at \$5.8m. Page 12

WE REGRET latest New York indices and Canadian closing prices were not available for this edition

# Shell seeks full control of U.S. unit for \$5.2bn

BY RICHARD JOHNS AND IAN HARGREAVES IN LONDON

Shell, the Anglo-Dutch oil company, yesterday offered to pay \$5.2 bn to complete its control of its U.S. affiliate, Shell Oil. Shell said it would pay \$55 a share for 30 per cent of Shell Oil, which is in its own right the sixth largest of the American oil companies.

Royal Dutch/Shell, the second largest oil company in the world behind Exxon of the U.S., already owns 69 per cent of Shell Oil, wirse own interests were greatly ex-tended in 1979 when it paid \$3.660n for the Belridge oil company in Cal-

Sir Peter Baxendell, a managing director of Shell Petroleum, the holding company which actually made yesterday's offer, said the main reason for the merger was to strengthen the group's presence in the U.S.

It was clearly desirable, he said,

that a major Shell operating company should be wholly owned since this would also enable Royal Dutch/Shell group investments and perations to take place, whether in the U.S. or elsewhere, without any possible inhibitions arising out of the existence of a minority inter-

He said the deal would be funded from the group's \$4bn reserves of

cash and short term securities and from a mixture of existing bank standby credit and new credit lines. At the end of 1982, Shell showed reserves of £5.3bn (\$7.5bn).

Shell Oil's interests span oil, gas and chemicals. The company earned \$1.5bn on sales of \$20.21bn in 1982. The Shell group earned £1.9bn on revenues of £49.15bn.

Shell Oil ranks fifth in the U.S. in terms of crude oil reserves, with a total of 2.25 hn barrels of crude and 7,540 bn cubic feet of gas. The company also has seven oil refineries. London stockbrokers Scott Goff said the \$55 a share offer price valued Shell Oil's reserves at just un-

figure to the value placed on Getty's rves under the terms of Texaco's recent \$9.9bn offer for Getty. Clearly increased ownership of reserves is another major attrac-tion of the deal for Shell. The group's total reserves amount to

Shell's offer price of \$55 a share represents a substantial premium on the \$44 at which the shares were being traded before the announcement, but several brokers and analysts in London and New York said an attempt by arbitrageurs and other minority shareholders to drive the price higher could not be ruled

Shell Oil shares closed at \$54% in New York yesterday.

Shell's move, which the company has been floating informally in the investment community for several years, can also be seen as an attempt to insulate itself from accusader \$4 a barrel, which is a similar tions from its minority shareholders that as a worldwide company with other North American inter ests it faces conflicts of interest in determining its U.S. investments.

Texaco's Getty Oil bid cleared, Page 12; U.S. oil company results, Page 13

## Nigeria brings in new curbs to cut imports

to 56bn.

BY QUENTIN PEEL, AFRICA EDITOR, IN LONDON

THE CENTRAL Bank of Nigeria scheduling of the country's arrears Forms M - which the commercial announced new foreign exchange restrictions yesterday, cutting allo-cations for imports during 1984 to

materials and spare parts for industry will absorb 58 per cent of the available cash, according to a Central Bank circular. A further restriction stops non-residents buying

airline tickets in local currency.

In London, meanwhile, officials confirmed that Barclays Bank International had been appointed to lead a syndicated loan of some £700m to £800m (\$980 to \$1.12bn) for Nigeria to repay exporters in-sured by Britain's Export Credits Guarantee Department. Announcement of the appoint-

ment of Barclays came after a day of meetings between bankers and the top-level Nigerian delegation that was in London to negotiate re-

on trade payments, estimated at up and merchant banks may give uncations for imports during 1984 to

The British bank, which has actused to be the direct responsibility little more than N4bn (\$5.3bn) - a ed as agent in the refinancing of the Central Bank.

fraction of the level of recent years. some \$2bn of arrears owing on let-Imports in the first half of last year ters of credit, will now be responsionore than N4bn would be available ble for a new loan to be guaranteed out of a total foreign exchange in The bulk of the cuts will hit con- by the ECGD to repay insured exsured by the department are currently estimated at £700m to £800m, although the figure has yet to be The Nigerians met the 13-mem-

ber co-ordinating committee for last senior officials. year's two refinancing deals, and assured them that payment of new letters of credit were up to date. In an agreed statement, the banks said that punctual repayment of the first instalment owed on the deals, made only days after the New Year's Eve military comp in Nigeria. had "facilitated the reopening of lines of credit."

The Central Bank circular in Lagos set out the limits on foreign exchange approvals - on so-called

der a new system. Such approvals

Senior officials said that little ble payments, but will exclude debt servicing on government debt, out standing commitments of the Central Bank, and excluded items such as defence spending, according to

Reuter reports from Lagos: Ma-jor-General Mohammed Buhari, Nigeria's military leader, has appealed to the International Monetary Fund to review its conditions for a proposed loan to Nigeria: A Nigerian team of negotiators is

to travel to Washington on February 15 to continue the talks with the

Uganda and Kenya loans,

## Page 12

## Opel plans to spend \$2.6bn on modernising its factories

BY JOHN DAVIES IN FRANKFURT

OPEL, the West German subsidiary of General Motors of the U.S., plans to invest DM 7.4bn (\$2.63bn) during the next five years to modernise its plants and introduce improvements in its vehicles Herr Ferdinand Beickler, the

chief executive, said yesterday that this would be the biggest invest-He said it showed Opel's determination to build up its share of West sion about staffing levels. German car sales and export mar-Opel has made steady gains in

up 23 per cent on 1982. About DM 4.7bn of the new investment programme will go to Op-el's headquarters factory at Rüsselsheim. Modernisation of the Bo-chum plant, already under way, will take up a further DM 2.2bn.

Opel was silent about the impact of its investment plans on jobs - a highly controversial issue

Officials of the metalworkers' union, IG Metall, have claimed that Opel envisages cutting its work-force by about 4 per cent a year, reducing the number of employees by more than 10,000 during the next ment programme in Opel's history. five years. But Opel has repeatedly denied that it has made any deci-

Kenneth Gooding, Motor Indus-try Correspondent adds: Herr Beickler insisted yesterday that the sales during the past two years, and investment planned for Russelits European sales last year were sheim "is an emphatic demonstration of the fact that Rüsselsheim will maintain its position as an important automobile-manufacturing

Of the total investment, DM 550m is earmarked for the company's Kaiserslautern plant.

Herr Beickler pointed out again that Opel, with its sister company Vauxhall in Britain, had registered the largest growth rate in Europe among all the volume car manufac turers in each of the last two years. The Opel-Vauxhall penetration of Western Europe's car market increased from 9.6 per cent to a bestever 11.1 per cent in 1983. In unit terms, sales reached a record 1.17m, up by 215,000 or 23 per cent on 1982.

Herr Beickler said recently that this year he expects 1.2m Opel and Vauxhall cars to be sold in Western During 1984, Opel is to replace its best-selling Model, the Kadett (sold in Britain as the Vauxhall Astra).

The new Kadett will be launched in the autumn. Last year, Kadett/Astra registrations totalled 400,000 compared with 350,000 for the Opel Ascona/Vauxhall Cavalier range.

## Bethlehem **Steel** petitions for limit on imports

By Stewart Fleming in Washington

BETHLEHEM STEEL, the second-largest U.S. steel prod moved yesterday to intensify the industry's pressure for increased protection from carbon steel imports. The group filed a petition with the International Trade Commission (PTC) calling for a 15 per cent limit to all imports for five years.

The Bethlehem decision, un dertaken jointly with the United Steelworkers of America, represents the broadest attack on steel imports using the 1974 Trade Act. The move has already been criticised by other steel industry excases by other steel mustry ex-ecutives and might undermine the quota agreement that the U.S. concluded with the Euro-pean Common Market at the end of 1982. That agreement limits EEC exports to just over 5 per cent of the U.S. market.

Viscount Etienne Davignon, EEC Industry Commissioner, warned in Washington last week that the Community reserved the right to abrogate that agreement Bethlehem filed the suit, but he carefully refrained from stat-ing that the EEC would take such

Bethlehem itself, in what appeared to be an effort to avert the threat, said that the suit, under section 201 of the Trade Act, was directed at Third World producers. Our quarrel is not with the

Europeans," it added.
Under Section 201, however,
the U.S. is required to investigate
all imports, rather than to distinguish between fair and unfair

The ITC has six months to in-

vestigate the case and must find that imports are a cause of the injury that Bethlehem, with the United Steelworkers of America, the main steel industry trade union, say exists.

The final decision on whether

to impose quotas remains with the President. est in a series of steps the U.S. steel industry is taking to curb

imports, above all those from Third World producers, such as Brazil and Mexico. Imports from such debt-laden steel manufacturing countries have risen sharply during the past few years and now account for 38 per cent of total carbon

steel imports, filling the gap left Continued on Page 12

## France to give further aid to shipyards

BY PAUL BETTS IN PARIS

cided last night to bail out the country's troubled shipbuilding sector with additional subsidies that could total between FFr 3.5bn and FFr 4bn (\$460m-\$465m) this year.

port the country's five main shipyards, the Government would subsilise orders for five new ships. He also said the Government had

greed to inject immediately an additional FFr 130m into the troubled Chantiers du Nord et de la Méditerranee (Normed) group to avoid the ders totalling between 260,000 company's being forced to file for tonnes and 280,000 tonnes this bankruptcy.

Normed had already received the yard. FFr 725m in government aid before Christmas.

M Lengagne said the Government had committed itself to maintain all the country's five main shipyards as going operations. He made the announcement after a day of intensive talks between the Government the unions and representatives of the shipyards.

About 3,000 shipbuilding workers vesterday against the threat of subredundancies and the ers who lose their jobs. threat of the closure of one or more

THE FRENCH Government de- fallen from 200,000 tonnes in 1982 to 105,000 tonnes in 1983. The capacity

of the five yards totalled 350,000

tonnes a year. Although declining to give specific financial aid figures, he said the Government was prepared to subsi-M Guy Lengagne, the French Government was prepared to subsi-Secretary of State for the Sea, said dise this year orders totalling be-last night that as a first step to sup-tween 260,000 tonnes and 280,000 tween 260,000 tonnes and 280,000 tonnes to keep the shipyards affoat

and prevent any closures. The Secretary of State acknowledged, however, that he would over-shoot his 1984 budget set at FFr 1.6bn. Despite the Government's commitment to support this year orwould still imply job reductions in

The Government was ruling out redundancies, however. The job cuts would be made through early retirement or through devices such as the new proposal for a prolonged leave of absence to workers to be

The Government would make special efforts to encourage new industries and investments in shipdemonstrated in the streets of Paris building regions to provide alterna-

The Government on Monday blocked an order by a French ship-The Secretary of State said new ping company for four cargo ships orders for the five shipyards had from Yugoslavia.

## **Delors seeks boost** for French industry

BY OUR PARIS STAFF

to introduce legislation to boost in- Commerce in France that the Govdustrial investment, M Jacques De-lors, Finance and Industry Minis-ter, told U.S. businessmen in Paris create new enterprises, offer fiscal

ernment would like to relax foreign in their companies' risk capital.

exchange controls. Finance Minister A system of stock options try officials said afterwards that M workers would not be practicable in Delors had nothing concrete in France M Delors said but the Govmind at present but confirmed that ernment would present alternative he would like to relax exchange proposals to allow employees to

The Government was also acting to reduce the administrative obstacles to foreign investment in France and was stepping up its efforts to give French industry greater flexi-

bility, M Delors said.

The Minister told a seminar orga-

THE FRENCH Government plans nised by the American Chamber of yesterday. incentives for investment, and en-M Delors also said that the Gov-

controls when the moment was opof their companies.

M Delors also said he still expected to see between 75 and 80 per cent of all industrial prices deregulated in France in the next six months. The French Minister claimed that

Continued on Page 12

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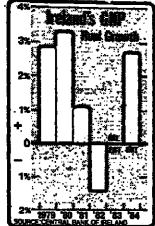
Energy Review..... Mining ..... Money Markets ... Stock markets - Bourses.... - Wall St. ..... 19-22 -- London ...19, 23-25 Unit Trusts .....

Singapore: battle for the Editorial comment: Saudi UK telecommunications: the Lex: Shell; Distillers; Rank; 

Hong Kong: China steps up Mining: BHP brings Utah in Energy Review: the Danish Aerospace: Pilatus faces up

Management: why Macin- Sweden:

tosh is crucial to Apple ...... Survey ....... Section IV



#### High public spending **hampers** economy

ONLY ONE thing can stop a "ONLY ONE thing can stop a recovery in the Irish economy this year," a Dublin analyst remarked, "and that's the Government." His view reflects the doubts about what Mr Alan Dukes, the Irish Finance Minister, will announce in his

budget today.

It now seems certain that the Irish economy is about to under-go one of its characteristically sharp swings. Even the usually cautious central bank has upstaged independent commenta-tors with its forecast of a 2.75 per cent rise in gross national product (GNP) in 1984.

The basis of this projected recovery, after two years of economic stagnation, is a rise in personal consumption and the continuing strong performance of Irish exports. Whatever criticisms may be made of Ireland's policy of attracting foreign companies with generous grants and tax breaks, the exports which have resulted, specially in electronics, have stood the country in good stead during three difficult years.

in good stead during three difficult years.
Industrial exports are expected to repeat last year's performance with a volume increase of 13 per cent. Total investment may increase marginally, with a 7 per cent rise in manufacturing investment being offset by further cuts in the Government's capital programme.

Much of the projected recovery is based on a belief that consumer spending will rise by around 2 per cent. If confidence grows, the rise in consumer demand could be greater and the recovery even

more marked.

The key question is what-Mr Dukes and the coalition Government, now in its second year of office, will do, for the ward-large and the coalition for the ward-large and the coalition for the ward-large and the commercial validation. of them due to excessive govern-

ment spending.
In the past 10 years, government spending has risen as a percentage of GNP from 35 per cent to 66 per cent and Mr Dukes still faces a borrowing requirement this year of around 13 per cent of GNP. There has been a remarkable

improvement in the external position during 1983. The deficit on the current account of the balance of payments fell from almost 9 per cent of GNP in 1982 to 3 per cent last year. Net external borrowing fell be-low LESOOm (£626m) compared with over If1.1bn the previous

These improvements were largely achieved through sharp increases in taxation, direct and indirect. One piece of unanimous advice to Mr Dukes is that he must call off the taxman in his future

Industry is particularly concerned about the gap between gross and take-home pay caused by high marginal tax rates. A company may have to pay out up to 1£4 a week to give an employee an I£1 increase, depending on the individual's tax bracket.

The Cabinet argument over spending cuts in advance of today's budget has proved difficult and the Labour Party. the junior partner in the coalition, finds cuts particularly hard to bear. Yet even the trade union representatives on Council endorsed a report saying social service expenditure might have to be cut in real terms in the year ahead.

The central bank, private bankers and the Council all agree that Mr Dukes should make further significant cuts in the budget deficit this year, but without recourse to increased

#### 'World first' electric van

By John Griffiths in Landon

THE UK motor industry has beaten European, Japanese and U.S. rivals into commercial production of electric vehicles, for which a 10,000-ayear market in the UK alone was predicted yesterday by executives

of Bedford.
Mr J. T. Battenberg, general manager of Bedford, a General Mo-tors UK Commercial Vehicles subsidiary, hailed as a "world first" a Bedford CF electric van driven off the Luton production line by Mr John Butcher, Industry Under-Sec-

## Generals' demand over Kiessling

Europe sacked at the close of last year, must be "rehabilitated" if investigations into his dismissal require it.

Gen Wolfgang Altenburg, the after a four-hour briefing of the country's 35 troop-commanding officers that there was general consensus that the Bundeswehr and Gen Kiessling himself had

WEST GERMANY's senior the affair. Herr Woerner can-commanders said yesterday that celled a meeting with foreign decisive sessions of a parlia-Gen Guenter Kiessling; the correspondents to attend the mentary committee of inquiry deputy Nato commander in chief-of-staff's briefing and beginning tomorrow.

and answer questions.

Gen Altenburg said that the officers "recognised that the Defence Minister had to take a to assist the embattled minister: decision" on the basis of the The ministry confirmed that documents before him on Herr Alexander Ziegler, the December 8. This is a reference editor of a Swiss homosexual December 8. This is a reference to recommendations of the magazine, had spent much or MAD, the defence intelligence last Friday afternoon at the service, that Gen Kiessling had ministry and had spoken with become a security risk after Herr Woerner. Gen Kiessling being identified in a homovesterday denied allegations millen. Even government Herr Ziegler made in another Swiss publication.

and Gen Kiessling himself had to be protected.

His lapidary statement was very much less than full-blooded backing of Herr Manfred Woerner, the Defence Minister, whose own future is now hopelessly entangled with the ever growing ramifications of the manfred Woerner, the Defence Minister, whose own future is now hopelessly entangled with the ever growing ramifications of the manfred forces, Gen Kiessling and the being identified in a homosesterday denied allegations westerday denied allegations westerday denied allegations. Swiss publication. The ministry also had to confirm that computer software evenly balances loyalties to the armed forces, Gen Kiessling to the manifer woerner. Gen Kiessling westerday denied allegations westerday denied allegations. The ministry also had to confirm that computer software evidence. The generals' attitude, which armed forces, Gen Kiessling to the ministry also had to confirm that computer software evidence. The generals' attitude, which armed forces, Gen Kiessling to the manifer woerner. Gen Kiessling to the manifer woerner, Gen Kiessling to the manifer woerner, Gen Kiessling to the manifer woerner. The providence is a homo-sexual milieu. Even government spokesmen have thrown doubt to the manifer woerner, Gen Kiessling to the manifer woerner. Gen Kiessling to the manifer woerner, Gen Kiessling to the manifer woerner was providence.

## Bonn optimistic about growth

THE WEST German Economics Ministry is now officially pre-dicting that 1984 will see a healthy combination of solid growth, low inflation and even slight improvement in the ountry's current account country's

This picture is contained in a background paper, released by the ministry yesterday, which is serving as a working basis for a round of discussions under way between officials and representatives of both sides of industry. The talks are taking Lambsdorff, the economics minister, presents the annual "state of the economy" report to the cabinet on February 1.

Assuming that exchange rate fluctuations—notably a further rise in the dollar—do not push import prices sharply higher, earlier, but demand from then the current surplus might rise slightly from 1983, which is expected to produce a surplus similar to the DM 8.6bn (22.2bn) of 1982.

In the view of the levels of a year earlier, but demand from the loveling customers had jumped trough of late 1982.

The ministry is confident that barring unforeseen disasters

cent, while inflation, the some 5 per cent higher than a ministry reckons, will stay at year earlier while investment around 3 per cent. Such growth, by the private sector is set to it hopes, will permit a small climb by a similar figure in drop in unemployment, to an average of less than 9 per cent business confidence was fast of the workforce for 1984 as a whole.

Not only were domestic orders standing 7 per cent above the levels of a year

industry. The talks are taking place a week before Count Otto Lambsdorff, the economics minister, presents the annual "state of the economy" report to the cabinet on February 1.

Real expansion this year should reach at least 2.5 per similar to the DM 8.6bn the ministry is confident that harring unforeseen disasters like a strike wave at home or a rash of protectionism or currency upheavals abroad. West German exporters will take full advantage of the expected 4 per cent to 5 per cent growth in world trade for 1984.

## Car production up 3% last year

CAR PRODUCTION in West Germany continued to improve last year, but output of com-mercial vehicles fell to the lowest level for eight years.
A total of 3.87m passenger than in 1982. Production was boosted by a sharp recovery of sales within West Germany and a revival in some export mar-

Although car output rose for the third year in succession, it still lagged below the peak of 3.9m in 1979—a level which the

office, will do, for the unpalatable fact remains that there are still severe underlying pro292,300. This was the lowest year. first time in five years that pro-duction has dropped below picked up. But the Automobile

WEST GERMAN VEHICLE PRODUCTION Cars 3,890 3,922 3,520 3,578 3,761 3,875
Commercial vehicles\* 296 317 358 319 301 292
Total 4,186 4,249 3,878 3,897 4,062 4,167
\* Including trucks, buses and other commercial vehicles.

Source: West German Automobile Industry Association (VDA)

The setback last year was basically because of a continued decline of orders for heavy trucks from oil producing countries, which have cut back sharply on development pro-jects. Production of trucks over six tonnes fell 16 per cent last at 180,000.

Since the peak year of 1980, lately there has been only commercial vehicle output has fallen by about 18 per cent. mild upward trend in demand for commercial vehicles on both for commercial vehicles on both home and export markets.

West Germany exported 2.19m cars last year, which almost reached the 1982 level, but exports of commercial vehicles were down 12 per cent

for car exports this year, but heavy truck sales abroad are ex-Industry Association says that pected to languish.

#### **EIB** lent 27% more last year

HIGH unemployment areas absorbed Ecu 3.3bn (£1.88bn) of loans from the European Investment Bank, the EECs main lending institution, last

The bank disclosed yester-day that its total lending last year rose 27 per cent over 1982 to nearly Ecu 6bn, while 1982 to nearly Ecu 5bn, while its borowing, largely through public bond issues, moved up 13 per cent to Ecu 3.6bn.

"The main thrust of the lending was to help regional development," it said, and that meant that three-quarters of the Ecu 3.3bn went to areas where jobless figures have been running at least 25 per cent above the EEC average, now 10.9 per cent. Ireland, Italy's Mezzogiorno, Greece, Northern Ireland and Greenland were important targets of a lending programme which concentrated on providing funds for the economic infrastructure but also made available cash for small and medium size business ventures.

ness ventures.

Italy remains the biggest borrower of EIB funds, last year taking 47.7 per cent of the total lending in the EEC. This compared with 16.4 per cent for France, 12.6 per cent for Britain and 8.2 per cent for Greece.

Lending from the EIB's own resources within the EEC went up in 1983 to Ecu4.25bn from Ecu3.45bn in 1982. Use of the New Com-

1982. Use of the New Community Instrument—the socalled Ortoli Facility to help small business—also rose sharply to Ecui.2bn from Ecu791m. Funds are borrowed in the name of the EEC and on-lent by the EIB. In contrast, EIB lending outside the Community was only fractionally higher at Ecu480m, and of that 40 per cent went to Spain and Portugal, the two countries seeking to join the EEC. The EIB has remained a regular visitor to the capital markets, raising Ecu2.25bn through bonds and E/11.27bn through private placements. Over half the borrowing was in Community currencies, including the Ecu itself, which accounted for 6.4 per cent of the total. Borrowing in Ecu doubled last year, testiving to the broadening in Ecn doubled last year, testifying to the broadening

Greek strike ends Several thousand Greek hospital doctors yesterday ended a 12-day strike called to pro-test about gaps in the Government's plans to set up a nat-ionalised health service by 1990, AP reports from Athens. A spokesman said to raise their salaries immediately and set up new training

of this particular market.

## Algeria talks on Spain's gas import bill

BY TOM BURNS IN MADRID

issues of Spain's gas import bill. Sr Moran was also invited to discuss political instability in North Africa in advance of a visit he will make to Morocco on Thursday. The recent violence in Morocco

has deeply concerned the Spanish Government not least because it could have consequences for the Spanish enclave towns of Ceuta and Melilla. The exposure given by the Spanish media to the riots in the

The visits to Algiers and to Rabat 45bn BTUs a year. were scheduled before the rioting and form part of frequent contacts over outstanding trade issues, chiefly fishing in the case of Morocco and natural gas in that of Algeria. Officials in Madrid said there

was a deadlock over the volume and pricing of Algeria's natural gas im-

SEÑOR Fernando Moran, Spain's Foreign Minister, flew to Algeria complex vesterday for talks on the complex the crisis.

Rif region, has led Rabat officials to 1975, with Algeria's Sonatrach — Moroccan irritation with Spain which committed the Spaniards on prompted a note from Madrid's Foreign Ministry stressing that Span-

The contracted volume is well in excess of Spain's energy require-ments and Algeria is now seeking payment for \$500m annually, back-dated to 1981, to cover the unused gas quota.

Sr Moran has said his talks be picked up in northern Morocco, would explore the possibility of a Ceuta and Melilla, both claimed by ports to Spain. Spain's state-owned would explore the possibility of a Centa and Melilla, both claimed by Natural Gas Corporation, Enagas, global and political solution to the agreed on a long-term contract in impasse.

ish consular officials in riot centres had remained diplomatically silent during the disturbances. The Foreign Ministry had received infor-mal protests from Rabat over Spanish media allegations that casualties in the riots exceeded 200.

Spanish radio and television can

## Renault to encourage immigrant workers to return home

RENAULT, the French state- more than 17,000 are immiowned car group, is preparing grants. Nearly 60 per cent workers to encourage the voluntary return of immigrant they are concentrated at the workers to their homelands. It is concerned to avoid the bitter controversy over redundancies "Our plan is designed to take controversy over redundancies among immigrants that erupted a few weeks ago at the Peuge

preventive measures to avoid being forced to take brund action later," said M Max Richard, Renault's personnel manager in France. a few weeks ago at the Peugra:
group's Talbot car plant at
Poissy, near Paris.

Like Peugeot, Renault also
has a workforce bigger than it
needs. However, it has sought
so far to avoid redundancies
and reduce jobs through early
retirements. But it, too, faces
a difficult problem with a large
unskilled immigrant workforce
in its factories in the Paris srea.
Of the 102,000 car workers
Renault employs in France,

Breton farmers vent their anger on the railways

EBY DAVID HOUSEGO IN PARIS RAIL TRAFFIC in Brittany was ances which have come to severely disrupted yesterday by angry farmers who blocked lines with trucks and tractors. However, they are now to be given the chance to present their grievances to M Pierre Mauroy,

head in recent weeks. These include the fall in pig prices, the disadvantage to French farmers of the subsidies and takes involved in the EEC's monetary compensation amounts system, and fears of the impact of Com-

grievances to M Pierre Mauroy, the Prime Minister.

Riot police later partially cleared the main lines into the region but members of the self-styled Breton "Committee of Economic Safety" said that "guerrilla" action would continue.

The railways were chosen for attack because of the abolition since January I of the concessional freight tariff given to Breton farmers because of their distance from the main markets. But this complaint has been added to a growing list of griev-

#### Nato presents six-point plan at Stockholm talks

BY KEVIN DONE, NORDIC EDITOR, IN STOCKHOLM

THE NATO countries yesterday introduced their first concrete proposals to the European security and disarmament conference in Stockholm.

The 16 western states presented a united position hammered out after months of consultations and are house to

consultations and are hoping to build on the momentum created by last week's meeting of 35 foreign ministers from Europe, the U.S. and Canada in the Swedish capital. The foreign ministers' meet-

conference on confidence- and security building measures and disarmament in Europe which is expected to last for at least

The Nate proposals call for: tion and location of the military forces of all participating

 Exchange of annual forecasts of certain military activities; Advanced notification of specified significant military activities;

 Invitation of observers these activities: Specific arrangements to monitor and verify each state's East Germany repeated the compliance with the agreements reached at the conference; and general declaration renouncing reached at the conference; and Improvements in rapid communications among the 35 covernments.

The six-point package was presented on behalf of the Nato and is keen to push for constates by Turkey and support crete measures that are politic-

MR RUUD LUBBERS, the Dutch Prime Minister, has denied raising with U.S. President Ronald Reagan the possibility of reducing from 48 to 16 the number of cruise thisales the Netherlands is to deploy, Walter Ellis reports from Amsterdam. The two leaders met in Washington Mr Lubbers is determined

to keep to the June deadline for deploying the miselles Party over the issue.

day by France, Norway and the U.S. Further speeches from A mutual exchange of Nato members are expected this information about the organisa- week to clarify the proposals. No immediate response came from the Warsaw Pact or from the neutral and non-aligned asis states attending the conference, but the East German delegation of did stress the difficulty of discussing conference-building measures when Nato is busy

deploying new intermediate-raige missiles in Europe. the first use of force or of nuclear weapons.

Nato is wary of such declaratory proposals, however, and is keen to push for conally binding and verifiable.

#### Ortoli calls on member states to boost EMS

ssile

THE EUROPEAN COMMISSION is urging EEC governments to mark the fifth auniversary of the European monetary system in March by taking some modest steps towards the steps towards its development.

M Francois-Xavier Ortoli, the Commission's vice-president for financial affairs, yesterday included consolidation of the EMS as part of a four-point programme for greater political

and monetary cooperation in the Community.

The programme would tackle the EEC's assential needs for economic regeneration and con-vergence, said M Ortoli, in a speech to the Italian Socialist Party's conference in Rome.

For the EMS, he urged con-sideration of three courses of For the EMS, he urged consideration of three courses of action: greater use of the European currency unit (Ecu) as a unit of settlement botween central banks; the "full and complete" participation of sterling; and a strengthening of policy co-ordination between member states.

and monetary co-operation in

On this last point. M Ortoll called for a commitment from governments to rendunce the use of certain economic manageuse of certain economic manage-ment policies without the prior approval of the Community. He also wanted tougher Community monitoring of individual govern-ments' macro-economic policies and a stronger requirement for policy adjustments to accompany

policy satisfaments to accompany currency changes.

The second of M Ortoli's four points envisaged a closer and more effective co-ordination of the EEC position in monetary dialogues with the U.S. He argued that this would improve the quality of the conversations now under way on international monetary problems. national monetary problems.

He argued for further measures to develop the public and private use of the ECU and an ambitious programme for creating a genuine EEC financial market based on traditions are supplied to the second and the second arguments after a stock to a second and the second argument after a stock to a second argument and the second argument and the second argument and the second argument and the second argument ar ing links between stock exchanges, harmonisation of legal frameworks and a gradual lifting of restrictions on the movement of capital.

#### Danish current account deficit drops sharply By Hilary Barnes in Copenhagen

DENMARK'S current account deficit almost halved between 1982 and 1983 but is expected to increase again this year, according to the Economy Ministry. Prime Minister Poul Schlueter, however, has reaffirmed his minority Government's determination to elimination to elimination to elimination. ment's determination to elimi-Persistent current account deficits, which have produced an accumulated net foreign debt of about DKr 170bn (£11.80n), or more than 33 per cent of GDP, were an important reason why the non-Socialist Government took drastic steps

last year to curb inflation and public spending. The deficit was cut from DKr 18.70m in 1982 to DKr 10.70m last year, but the Economy Ministry now expects it to climb to DKr 12bn The likely deterioration is put down to a more rapid recovery than expected, affecting private consumption and investment as well as housing investment. The ministry has revised its 1984 GDP growth to ecast since November from

Lis per cent to 3 per cent (in real terms).
The four-party coalition's first task in the new Parliament is to secure passage of the Finance Bill,

David Marsh in Paris interviews the social conscience of the Right wing

## France's 'Queen Mother' veils her allegiance

in opinion polls to be the most popular politician in the country after M Michel Rocard.

Personal history the Socialist Agriculture Minister. His moderate views give him a similar appeal to floating

Yet in private, Mme Veil, who was Health Minister for five years under President Valety Giscard d'Estaing and then president of the EEC parliament between 1979 and 1982, can be and downright bossy as any palace matriarch.

woman.

A fierce anti-Communist, she party in municipal elections uast exist at the moment," she says.

A fierce anti-Communist, she party in municipal elections uast exist at the moment," she says.

A fierce anti-Communist, she party in municipal elections uast exist at the moment," she says.

Mime Vell's stubborness (2 ancially from the Community say that it will reduce taxes and and believes Europe should give seated in her spacious Paristudies, index over a gagement from the economy.

When I hear the opposition ancially from the Community say that it will reduce taxes and if the overall "ridiculously social charges, I don't believe the Reagan Administration more in an living room, strewn with civil servants during her small" budget were to be that at all. If one manages to

deported to Auschwitz concentration camp during the wartime German occupation of
France, and survived, but both
her parents and her brother
died at the hands of the Nazis.
Far from harbouring feelings
of rancour at the treatment of
the Jews, Mme Vell now calls
on Germany to come to terms

Mme Vell has been a member
grouped around M Giscard
d'Estaing, but feels unbound by
particular political allegiance.
She is a close friend of M
Chirac, the leader of the neoof rancour at the treatment of
the Jews, Mme Vell now calls
on Germany to come to terms

"I will indicate my reserve of rancour at the treatment of Gaullist RPR party, but is said the Jews, Mme Veil now calls on Germany to come to terms with its history and give up its with its history and give up its ence (of the three) when the that Community leaders that the community leaders the constant that the community leaders that the community leaders that the community leaders the constant that the community leaders the community leaders that the community leaders the community leaders that the community leaders the community leaders that the community leaders the community leaders that the comm An elegant woman, clad on Germany to come to terms
invariably in blue haute with its history and give up its
couture, Mme Veil is a lone reluctance to assume new dewolf who takes pride in being fence responsibilities, for inregally, "according to how they above the routine cut-and-thrust stance, as part of a politically present themselves."
of party politics. She combines united Europe. But her wartime
She describes herself as a

MME SIMONE VEIL has a guestion of Grenada
French politicians. With a well-matured grand-motherly image and a generally benevolent disposition on welfare issues, Mme Veil represents the Right.

The woman who is likely to lead the Opposition parties in June's European Parliament elections is consistently shown in opinion polls to be the most propular popular politician in the country after M Michel Rocard,

MME SIMONE VEIL has a support over issues like the objets d'art and overlooking the supreme reminder of a politican supreme reminder of a political invasion of Grenada supporting some of the Socialist Government's pragballet.

Although supporting some of the Socialist Government's pragballet of the Socialist Government's pragballet, and her disdain for the arcane supreme reminder of a political limits—the limits—the limits—the limits—the limits—the Name Veil smiles:

Women are less dogmatic during the last few months of tussing over strategy for the European elections.

With an eye on the French with an eye on the French parliamentary elections in farmers—family businesses—would be prepared to trust even an undogmatic woman with the top office.

She quashes speculation anyway that she is considering running in the 1988 presidential election. With three Opposition fine in the Covernment's natural limits—the Invalides, where Napoleon is buried—Mime Veil smiles:

Women are disposition of the state from on the French Right, have both beeth evident Right, have both be

Personal history

Mme Vell's popularity is partly linked to her personal history and partly to the fact that she is a woman. She was deported to Auschwitz concentration camp during the many of the fact that she is a woman. She was deported to Auschwitz concentration camp during the many during the many during the many of the many during the many du decision has not yet been taken, it looks as though the UDF will reluctantly agree to

that Community leaders should show more desire for

of party politics. She combines of party politics. She combines of party politics is steel with a mix of reasonable - minded. Centrist views which probably closely approximate to the opinions of the archetypal French man or woman.

A fierce anti-Communist, she is a hawk on East-West issues and believes Europe should give

The archetypal French man or is a hawk on East-West issues and believes Europe should give

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The archetypal French man or indicate the alliance between is a hawk on East-West issues and believes Europe should give

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The archetypal French man or indicate the man or indicate the man or indicate the parties which party in municipal elections uses the monograph of the EEC budget.

The describes herself as a reformist rather than a congulation of the EEC budget.

The describes herself as a reformist rather than a congulation of the EEC budget.

The describes herself as a reformist who could be tempted to those put forward by M years of the EEC budget.

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The describes herself as a reformist rather than a congulation of the EEC budget.

The describes herself as compromise over the thorny

mic policies has shifted it markedly towards the political middle-ground, Mme Veil might be thought in danger of having her identity eclipsed She concedes that the Govern-

its economic policies — for instance, in the efforts of M Pierre Beregovoy, the Social Affairs Minister, to cut the rise in health costs throughout the change—for instance, "more flexible" working periods in industry—which sound similar

ment needs support in some of



Mme Veil; "Women are less dogmatic than men."

She rounds on the Governhas cut annual prices rises to 9 per cent from 14 per cent under the previous Government, the strategy, she says, is "a com-plete failure" because other leading countries have cut their inflation rates even faster. Mme Veil reserves her big-gest anti-Socialist offensive for Government's

herence" in mixing pragmatism

stabilise them, that will be a the Press and hospitals are, she lot . . . in a hard and changing says, "simply to satisfy ide legy world, individuals need . . . to make the Government's autonomy—but they also need militant supporters forgive the

austerity policy."
The result is the says that the Government loses crediment's anti-inflation policy, the Government loses credi-however, Even though France bility among people who would be ready to society certain to fight a class war. "I don't believe in the class war," says Mme Veil firmly, "It's marxist."

PINANCIAL TIMES, USPS No 190692, published dally andest Suddeys and belideys. U.S. suggestion rates \$420.00 per entum. Second class posters paid at New York NY and at additional mailing officer. POST-MASTER: and eddress changes to PINANCIAL TIMES, 14 Sept Sub-School, New York, NY 10022. with ideology. Government- MAST induced reforms in education, New

## Moscow may have sent new type of missile to Iraq

BY RICHARD JOHNS

TENSION in the Gulf and gen-eral expectations of a major by Iraq and used again eral expectations of a major by Iraq and used against escalation in the Iraq-Iran war targets inside Iran.

Possession of the missile—code-named "Skateboard" by Nato—would greatly increase Iraq's ability to hit long-distance targets in Iraq including its major oil terminal at Them. its major oil terminal at Kharg Island and super-tankers calling the mouth of the Gulf, to all

With a range of 700-800 kilo-Super-Etendards supplied by France, capable of carrying Exocet missites, which should will soon have completed assem soon be operational, if they are bly and testing.

not already so. Western diplomats yesterday expressed some doubts about the accuracy of the news agency report from Baghdad which was, apparently, based on a single "diplomatic sighting" a single "diplomatic sighting" Mary Frings adds from in Iraq. The SS-12 has not been Bahrain: Kuwait has set Febsupplied by the Soviet Union ruary 11 as the trial date for to any state not belonging to the Warsaw Pact. It is designed

threatening oil supplies seem Nevertheless, the possibility bound to increase following the reported delivery to Iraq of soviet SS-22 missiles.

Possession of the missile—that Iraq, in its desperation to be supplied that Iraq, in its desperation to be supplied to the supplied that Iraq, in its desperation to be supplied to the supplied that Iraq. bring the 40-month-long war to an end, will try to halt Iran's exports. Iran in turn, has threatened to retaliate by closing the Straits of Hormuz at the month of the closing the Straits of Hormuz at

The five Super-Etendards metres, it could add weight to delivered last autumn were the threat posed by the five expected to become operational some time in January. The assumption is that the Iragis

Meanwhile, a request by Iran to Italy for mines is said by western diplomats to have been turned down. But it has taken delivery of some fast launches from Belgium

25 people implicated in last month's bomb attacks, in which to be equipped with a nuclear at least five people were killed war-head although it could be fitted with a conventional one. The SS-12 is carried on a trailer similar to the one used for the Jihad Party.

#### Syria concerned over rising tension with U.S.

BY ROGER MATTHEWS IN DAMASCUS

SYRIA expressed concern yes- Syrian Minister said that pos U.S. had been rising in the last few days, following the improve-ment in relations brought about by the release of the captured U.S. pilot shot down over President Mubarak for talking Lebanon

Mr Farouk Al-Shara, the Syrian Minister of State for Foreign Affairs, said in an interview with the Financial Times: We really do not know why this is happening because it does not come from our side. It is very legitimate to ask who is taking the decisions in the

Organisation. Although the rights."

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sible co-operation between King Hussein of Jordan and Mr Arafat on Middle East peace moves were "doomed to failure," he did not blame

to Mr Arafat. "It was Arafat who went to visit Mubarak. In such circum-stances Mubarak could only gain. Anyone in his place would have done the same thing.

"The real person to blame is Arafat. All he is doing is trying to escape from his internal problems within the Mr Al-Shara declined to censure President Hosni Mubarak tion. He knows very well that of Egypt for his recent meeting the path he is now trying to with Mr Yassir Arafat, chairman of the Palestine Liberation recognition of Palestinian

## to cut troop strength in Ethiopia'

ADDIS ABABA—Cuba, whose backing helped Ethiopia to backing helped Ethiopia to win the Ogaden war against Somalia six years ago, is expected to slash its troop strength in Ethiopia from 10,500 men to less than 3,000 by June, according to Western diplomats in Addis Ababa.

They said that over the last week the Cubans were leaving because a new Somali attack was considered highly unlikely.

menors about Cuban move-ments have appeared in the Western Press for months, but the Western diplomats said they now had definite information about the June Reports about Cuban move information about the June deadline for the Cuban pull-

The Cuban contingent in Ethiopia is the second largest in Africa after that based in Angola.—Reuter

#### Kabul reshuffles military chiefs

ISLAMABAD - Kabul has reshuffled its military leader-ship, replacing the chief of staff and other defence officials, in an attempt to boost the army's combat ability against Afghan rebels. Western diplomats said

Lt-Gen Nazar Mohamma the tough former head of the airforce, was made chief of staff on January 7, replacing the ageing Li-Gen Baba Jan, the Diplomats said. They were quoting reports from their embassies in Kabul.

The former deputy head of the Khad secret police, Maj Gen Ghulam Qader Miakhel, was named deputy chief of staff, and Maj-Gen Nabi Azimi, who recently returned from a training course in the Soviet Union, was appointed First Deputy Minister of Defence, the diplomats said.

The appointments have not been announced publicly, but were apparently connected with a speech by President Babrak Karmal to military officials on January 8. He against the guerrillas, they said.

# Cuba likely Peking capitalists raise profile in Hong Kong

BY ROBERT COTTRELL IN HONG KONG

THE CAPITALISTS from Peking are turning the tables on their Hong Kong compatriots. In one deal concluded last weekend, China acquired effective control of its first publicly-owned Hong Kong com-pany, the electronics manufacturer Conic Investment.

Simultaneously, Hong Kong's largest property deal of the past year was pulled off by no less than Wang Guangying, vice-chairman of the Chinese People's Political Consultative Conference (CPPCC). His com-pany, Everbright Industrial, is to pay HK\$1bn (£91m) for eight yet-to-be-built blocks of flats on Hong Kong Island.

With Britain and China currently negotiating Hong Kong's future, the deals inevitably carry political overtones. Analysts say the investments underline China's belief that it can maintain the territory's controller property ofter 1997 capitalist prosperity after 1997, when Britain's lease over most of Hong Kong expires and China plans to regain sovereignty over the territory.

More pertinently, however, the events of the past week have demonstrated the increasing sophistication of Peking's sophistication of Peking's businessmen, and the closeness of the economic ties between Hong Kong and China.

It was now possible to resolve the Hong Kong issue in a manner acceptable to both China and Britzin, Hu
Yasbang, general-secretary of
the Chinese Communist Party,
said yesterday, AP-DJ reports
from Peking. His remarks
were quoted by the official
Xinhua news agreety on the Xinhua news agency on the even of the latest round of

China's vehicle for acquiring Sin King Enterprises, a 50-50 joint venture between the Hong Kong branch of the Bank of China, and the Peking-owned trading group China Resources. Sin King is paying HK\$178m for 35 per cent of Conic's equity, and is installing nine new directors, including a new managing director, Chow Tak Ming, who is currently head of China Recoursely metals and China Resources's metals and minerals department.

Conic Investment, Hongkong's largest electronics firm, showed net assets of HK\$382m on its last nublished balance sheet at the end of 1982. Its workforce of some 5.500 makes it one of Hongkong's largest employers.

Analysts say that the tie-up with Sin King is logical in view of Conle's existing close links speculatively, to resell the financial controls if it is to muscle

turing plants in China's "special built. Wang declines to comeconomic zones" at Shenzhen ment. Analysts also say that, near Hongkong, and at Xiamen, while the deal carries a "billion-formerly Amoy. China is a dollar" prices tag, the money major customer for Conic's prowill change hands only ducts, mainly low-cost audio gradually.
goods and television sets.
The Chinge partners will signed on Monday between

acquire an electronics company Everbright and the vendor, which, while not operating at International City Holdings, which, while not operating at advanced levels of technology by world standards, is a relatively efficient mass-producer of goods. Importantly, the deal goods. Importantly, the deal helps China assure the developof the Conic plants within China itself. .

Wang, the brother-in-law of former Chinese head of state Liu Shaoqui, says his financial backing does not come from the backing does not come from the sous with Everoright.

Peking Government, but declines to give any more details. He acknowledges that partner of property consultants have been assigned to me by the central authorities" price is "about right" in of China, and says he wants to current market conditions, and details. He acknowledges that tants Richard Ellis, says the "tasks have been assigned to me by the central authorities" price is "about right" in of China, and says he wants to current market conditions, and buy technology to assist China's that the flats should appreciate when a new line of Hong Kong's when a new line of Hong Kong's and analysis of the conditions are the flats should appreciate when a new line of Hong Kong's and analysis of the conditions are the flats and the flats should appreciate when a new line of Hong Kong's and analysis of the conditions are the flats of the flats are the modernisation. Everbright's when a new line of Hong Kong's opening party in August 1983 underground railway system featured a floral tribute from opens nearby in 1985-86.

Chinese premier Zhao Zhiyang.

Sin King's investment

apartments once they have been

loan. Analysts expect the bank lenders to include Bank of China. The Hongkong and Shanghai Banking Corporation is also thought to have been involved in the financing discus-sions with Everbright.

Sin King's investment also

It is not clear how the carries with it a degree of whether Sin King and Everpurchase of eight apartment financial risk. Conic is a bright are harbingers of more
blocks in Hongkong might assist sprawling, diversified group adventurous investment policies
China's modernisation. Analysts which analysts say needs closerwhich would see China making believe Exerbright is buying knit management and tighter

improve its meagre During the past months of

Sino-British deliberations on the future of Hong Kong, much note has been taken of Hong Kong's role in China's foreign exchange earnings. It remains to be

more public use of its financial

Australia plans

higher levies on oil output

By Michael Thompson-Noel

OIL companies operating in

Australia can expect to pay

higher levies on production

under the 'government's pro-

posed resources rent tax,

Senator Peter Walsh, Mini-

ster for Resources and

## Pretoria overspending sparks tax increase

CHANCELLOR Helmut Kohl of said was aimed at strengthening

Minister.

South African finance minister, while has been forced to raise the ting. from 6 to 7 per cent from next over 1983 was 11 per cent, it to the rate.

reaction here yesteracy, the grounds that the increase would country's principal trading revers: the declining tre'l in partners, has determined to inflation, that it would mainly bring the rate into single affect the poorer sectors of the figures very soon and has talked affect the poorer sectors of the figures very soon and has talked In last year's budget he year was recently estimated at population (that is, the blacks), of a target of 7-8 per cent for allowed for a 10 per cent in over R3bn

#### Marcos frees 84 prisoners

PHILIPPINES Ferdinand Marcos yesterday ordered the rolease of 84 political detainees and granted clemency to 13 others, writes <u>Emilia Tagaza in Manila.</u> Mr Marcos, who usually frees

on his birthday, announced the move following a call from opposition parties to free all

MR OWEN HORWOOD, the and that it had been introduced this year. This increase in crease in government spending South African finance minister, while parliament was not sit. General Sales Tax (GST) seems which was looking over opti-South Africa's inflation rate

month in response to serious was officially announced last overspending by government week. The Government which departments.

There was widespread critical faction has persisted at a level reaction here yesterday, on the grounds that the increase would review? The declination has persisted at a level so much higher than that of the grounds that the increase would review? The declination has persisted at a level so much higher than that of the grounds that the increase would review?

BY DAVID LENNON IN TEL AYIY

the Jews killed by the Nazis. already cast a si He arrived yesterday for a second visit by five-day state visit, which he cellor to Israel.

West Germany ran into controversy at his first stop in

Israel, when his policy on arms sales to Saudi Arabia and the status of the Waffen SS veterans' organisation were denounced by the director of the museum built in memory of the Laur billed by the Neric

certain to frustrate these hopes and to add about 0.7 per cent of major drought relief Mr Horwood had been

expected to announce substantial tax increases in his March Angola). buiget and most observers believe that even after this latest increase the exchequer that he may still have to do so.

ties betwen the two countries.

A similar hope was expresse

in the welcoming remarks of Mr Yitzhak Shamir, the Prime

But the pending sale of West German heavy arms and missiles to Saudi Arabia has

already cast a shadow over this second visit by a serving Chan-

mistic even before the impa spending (leaving aside the recent five-week invasion of

One per cent on GST is cal-culated to bring in about Rand situation remains so difficult a full year; the deficit before borrowing during this financial

Yad Vashem, the holocaust

museum, was Herr Kohl's first stop, and he paid tribute to the

Jewish victims. There was a demonstration outside by

concentration-camp clothes.

Israelis, some dressed in striped

Mr Yitzhak Arad, director of

the museum said it was un-

thinkable that West Germany

could sell weapons to the Arabs.

Energy, said in Canberra vesterday. The new tax is likely to apply from July 1, and subsidies Controversy rages over Kohl visit may be allowed to cover exploration costs.

in Sydney

Mr John Kirk, chairman and managing director of Esso, Australia, said the tax would be a "massive roadblock" that would cause a fall in exploration activity.

The Australian Petroleum Exploration Association claimed that the new plan failed to reflect an understanding of the way riskweighted investment decisions

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## Reagan in bid to avert Republican attacks on deficit

BY STEWART PLEMING IN WASHINGTON

PRESIDENT Ronald Reagan made a rare trip to Capitol Hill yesterday for a meeting with leading Senate Republicans to try to head off growing criticism of the Administration's 1985 budget strategy.

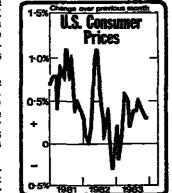
Full details of the budget are due to be released next week. Administration officials have confirmed already that the President will propose no major tax increases or spending cuts to try to reduce budget deficits in 1985 and beyond.

According to the latest, eco-nomic forecasts the 1985 budget message to Congress will pro-ject a deficit of some \$180bn, with total spending of some

The deficit in the 1983 fiscal year was \$195bn and for the current year is projected at \$184bn, although many private economists are suggesting the actual figure could be as low

The Administration will forecast substantial declines in the deficit for 1988 and 1989. But these projections may well be widely discounted because of the persistent inaccuracy of such long term budget projec-tions. Administration officials, including Mr Martin Feldstein, the chairman of the Council of Economic Advisers, have expressed their own doubts about them in public.

The President is coming under attack from both moderate and right-wing Republicans in Congress because of his budget strategy. seeks re-election will be able to



se more tha<u>n</u> \$4bn of cuts in government spending. However, Mr Reagan went to Capitol Hill armed with more favourable economic news. The consumer price index, the most

widely watched inflation measure, rose only 0.3 per cent in December for a total of 3.8 per cent for the year, the lowest rate since 1972 when prices rose by 3.4 per cent. For the last three months of

1983 consumer prices rose at a compound annual rate of 4 per cent seasonally adjusted. One of the major influences behind the low inflation rate for last year was a decline of 0.5 per cent in energy prices, including a 9.4 per cent decline in fuel oil, coal and bottled gas prices. While many economists are

both projecting a moderate rise in twing the pace of inflation this year, agress President Reagan, assuming he Moderate Republicans continue claim credit for a remarkable to press for some symbolic reduction in inflation which hit deficit reducing package and 12.4 per cent in 1980, 8.9 per right-wingers are angry at the cent in 1981 and 3.9 per cent Administration's failure to pro-

#### Norwegian company in U.S. deal

By Our Oslo Correspondent

SECURUS INDUSTRIER of tion business, both in Norway Norway, has acquired Therma- and abroad. Co-operation become Industries, Philadelphia, tween them has included exfrom the U.S. steel firm Pitts- changes of itemsed rights.

burg-Desmoines.

A subsidiary of Securus Industration is cutting dustrier, Securus Chemicals, sulation of large storage tanks for hold or cold liquids, and has for several years been cooperating closely with Securus, which is involved in the insular changes of accessed rights.

A subsidiary of Securus Industriation is cutting the number of inspectors it has recently raised NKr 50m through a private placing of the third year running, although the number of airlines to be covered has nearly doubled since 1978.

#### **Asbestos** producer wins key court case

By Paul Taylor in New York

MANVILLE, the world's biggest producer of asbestos products which filed for protection under Chapter 11 of the U.S. bankruptcy code in August 1982, has won a crucial legal battle in its bid to reorganise its business and resolve thousands of asbetos related lawsuits against it. A federal bankruptcy court

judge has dismissed four challenges to the company's Chapter 11 petition and agreed to appoint someone to represent the many asbestos claimants that the company expects. It was these future claims that prompted Manville's application for protection under the bank-

ruptcy code.
The decision appears to clear the way for Manville to continue operating under the code until a plan of reorganisation is approved by the courts. A committee representing existing plaintiffs suffering from arbestos related diseases had sought for 17 months to challenge the original Manville filing, claim-ing that the company had acted "in bad faith" by filing for protection under the bankruptcy

#### Concern grows over air safety

A NUMBER of U.S. aviation experts are voicing concern that safety may be given a lower priority at some airlines because the Government is not watching closely enough, even though U.S. commercial air travel has just completed one of its safest

The Federal Aviation Administration moved quickly in recent weeks to force the shutdown of two rapidly growing regional airlines - Air Illinois and Air Vermont — after discovering shoddy maintenance procedures. Amid growing economic pres-sures on established airlines and scores of new low-cost operators

flying the skies, some aviation

experts question whether the

FAA's new aggressiveness is enough. The concern comes as the U.S. Administration is cutting Terry Dodsworth reports on the fragility of a key business sector

## Crunch coming for U.S. insurance

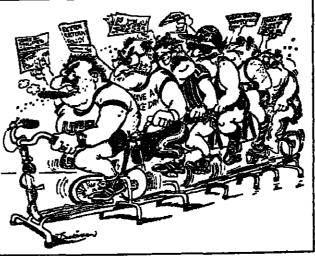
FEW GATHERINGS of the commanding officers of U.S. industry can have projected such an air of gloom as the recent annual convention of the in New York. Despite the gilded splendour of the Plaza Hotel ballroom the anxiety of the meeting was palpable, and was openly stated by several senior executives. Either the industry changes its policies radically, or there could be some nasty failures just around the corner. they said.

The underlying problems have been clear for some time, and are reflected in the sector's Even so, the industry's increasing fragility has to some extent been obscured by the unusual investment environment over the last few years. Because U.S. insurance companies have been able to generate more than sufficient investment profits to make up any losses they incurred on underwriting.

It is often the case that periods which offer generous returns on financial assets force down underwriting profits companies are attracted into the industry initially by access to cheap funds in the form of premiums. However this pro-vokes competition for the funds which leads to price cutting. As a result, underwriters end up paying out more in claims and in running their business than they are taking in in premiums. Normally the income from investing the funds would take up the slack, but this is becoming increas-

ingly difficult to manage. The trend has been greatly exacerbated in the present cycle by two other factors. In the first place, the recession has bitten particularly deeply into the heart of the industry's commercial business. Companies have closed down, factories been eliminated, and every overhead it is possible to trim—with insurance high on the list—has gone. It is hard to get a clear picture of the volume decline in premiums, but it has been onsiderable.

Secondly, the industry has finally abandoned the comfortable old cartel habits that have dominated its practice since the last war. These arrangements came into being in 1941, when the courts held that insurance could be subject to regulation



'We are now like a bunch of fat guys who have been put

weakness are:

But executives equally recog-

existed and was then eliminated, you went from a profit to

and prices. Since companies had to submit prices for approval, they naturally followed the regulators' recommendations. leading to a rates structure in which there was very little price differentiation.

The breakdown of this system has been gathering pace for a decade, but the coup de grace was delivered by a combination of the competitive pressures induced by the recession and the anti-regulatory climate ushered in by the Reagan Administration.

Far from taking their cue from the regulators, who would have virtually dropped the system of prior approval, insurance companies are now blindly ignoring recommended price levels in the scramble for market share. Last year, for example, some companies were undercutting price guidelines proposed by the Insurance Services Office, the nationwide rate advisory body for the property/casualty industry by as much as 40 per cent.

The executives on the platform at the Plaza conference,
organised by the ISO and the
Insurance Information Institute, could remember the
industry's regulated ara well
enough to mourn it: "We are
now like a bunch of fat guys
who have been put on an exercise machine," said Mr Maurice
Greenberg, president of The executives on the platpresident American International,

"We are all huffing and puffreserves in relation to premium ing now because we are trying McNamara, president of the ISO, that according to the and individual states began to to run in a different race. I • The set up local committees to think if you took a vote in McNai establish financial standards the industry today you would ISO,

Speaking at the conference. Mr McNamara added that there had been no strengthening of loss reserves in 1983, with the annual rate of increase alipping to 8 per cent, its lowest in 20 years. ● Mr McNamara also argued

that in three main lines of business accounting for 40 per cent of total commercial premium volume, the industry will be operating at a significant over-all loss this year. Even after allowing for investment income. these three lines — general liability, commercial motor and commercialm ulti-peril—will be losing the industry between three and six cents for every dollar of premium written in

in aggregate at the end of 1982,

and on some lines were defi-cient by more than 20 per cent.

 Preliminary estimates made Preliminary estimates made by A. M. Beet, the independent research organisation which specialises in the U.S. issurance industry, indicate that in 1983 statutory underwriting losses( premiums earned less claims and expenses) amounted to \$12.2bn, an 18.4 per cent increase on 1982. This figure corresponds to almost 111 per cent of written premiums—the probably find that it would like to get back to somewhat of the old position where it had some protection." nise that these days are gone for good. As Mr Greenberg added: "Wherever a tariff an almost immediate loss. That experience is global. Any tariff market keeps discipline and it takes a certain amount of cent of written premiums—the highest underwriting deficit since the year of the San Francisco earthquake and fire.

maturity to get used to operat-● In addition, for the 1982-83 ing in a totally free environperiod, the industry showed an underwriting loss estimated at \$22.55m, more than the total underwriting loss for the period from 1958 to 1981. ment . . . we are in the midst of that storm here." Mr Greenberg's thesis is already beginning to ring ominously true. Among recent • Finally, the pressure on the indications of the industry's industry's resources is increasing. One example is the growth of potential liabilities from occupational disease suits, an issue which has surfaced drama-• The shock announcement by

American Express that its Fireman's Fund insurance subsidiary was being forced to add \$230m to its depleted loss tically in the legal tussie over reserves — the money set aside for meeting future claims. This The financial deterioration evident in these statistics varies for meeting future claims. This charge has forced American Express into its first earnings decline for 36 years, but it was the nature, as much as the size of the provision which has sent a shudder through the collective ranks of the industry. enormously from company to company. But it points to the conclusion. Some companies are likely to crack up if they continue to write business on the present basis.

It focuses attention on the A shift to a healthier rate adequacy of reserves in every company; analysts have long been pointing to the dangers of structure therefore seems to demand some rationalisation, and it may only be a matter of chasing turnover by cutting prices while boosting profits by making insufficient additions to months before some of the dead wood comes crashing down. In the words of Mr Gary Country-

Kinnock plea on Central America bureau's own studies, the industry's loss reserves were madequate by more than 10 per cent

THE REAGAN Administration was yesterday uyged by Mr Neil Kinnock, the British Labour leader; to modily "its policy towards Central America and to establish a dialogue in the troubled remeta ::

He made the pies at the launch of a report on Central America produced by Mr Stuart Holland, shadow Minister for Overseas Development and Co-operation, and Mr Donald Anderson, shadow, Foreign Minister.

It is sharply critical of the views and proposals of the Rissinger Commission, released two weeks ago.

The main conflicts in Central America are not between East and West as claimed by Presi-dent Reagan, but North and South, the authors maintain. Mr Holland said vesterday that after spending time is the region he was convinced that the "U.S. administration will subordinate any issue to its

counter-insucgency strategy." The Left-wing Sandinists regime in Nicaragua does not present a military threat to the U.S. but is seen as one because it challenges America with "a

new and autonomous model of social and economis development," the report says. The situation in El Salvador is so serious that the Americans may well have to intervene directly with ground troops after the forthcoming elections on March 25."

Rissinger's Ringdom? counter - report on Cantral America; Shart Bollend, MP, and Donald Anderson MP; Spokesman, £225.

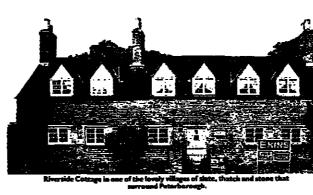
Venezuela state oil chief to go By Kim Feat in Caracas

SR HUMBERTO CALDERÓN SR HUMBERTO CALDERON
BERTI, the president of VC.evuela's state oil monopoly
Petroleos de Venezuela, is to
be replaced by a top level state
eil industry executive. The
move will take place shortly
after President elect Dr Jaime
Lusinchi takes office, according
to Dr Arturo Herriandez
Grisenti, the designated Energy Grisanti, the designated Loergy Minister. Dr Hernandez die not identify

man, president of Liberty the new head of the oil Mutual Insurance: "Some of these decaying companies are already dead—they just don't heads of the industry's four know it."

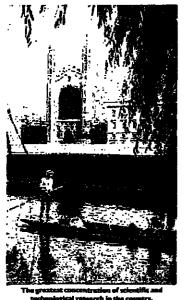


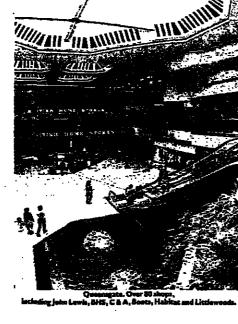






# What can you expect for £2 a sq.ft?







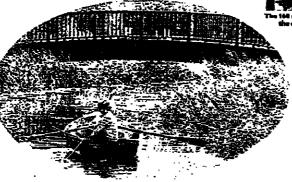


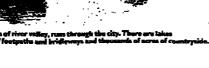














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# The computer revolution. Even for the wealthy and privileged, there's no escape.

In the cloistered halls of Britain's most renowned and exclusive seats of learning, a new sound has recently been heard.

The bleep of the microcomputer.

With the upsurge of information technology, computer studies are now on the curriculum at time-honoured public schools, as well as at state schools throughout the country.

And it's encouraging that a certain computer is not only preparing pupils at Eton, Winchester and Wellington for the future. It is giving the same head start to state school pupils from Brixton to Glasgow.

It's the BBC Microcomputer, which now accounts for more than 80% of the computers being ordered under the Department of Industry's current Micros in Schools Scheme.

With a specially developed system called Econet, the BBC Micro can form a completely linked computer network within a classroom or even throughout a school.

It uses a computer language called BBC BASIC, which children from primary school upwards are rapidly getting a grasp of.

And as the users' fluency grows, the BBC Micro can help them to acquire the gift of tongues. Because it readily adapts to other computer languages.

It's also designed to expand at the same rate as its users' skills.

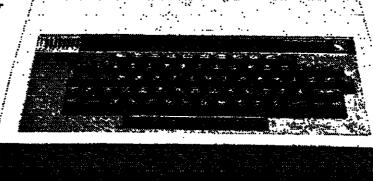
Disc drives, word processors and printers are among the many accessories which can take its powers way beyond those of home computers, into the realms

of business, science and industry.

Not surprisingly, a growing number of adults are realising that the BBC Micro is the perfect machine for giving themselves a private education in computing.

Of course, it isn't by any means the cheapest micro-computer in the high streets today. The price is £399.

But as public schools readily agree, its capabilities couldn't be more comprehensive.



>The

BBC Micro

For local stockists, ring 01-200 0200. The BBC Microcomputer System is designed, produced and distributed by Acorn Computers Ltd.

#### Suzuki aims to boost car sales in W. Europe

By Kenneth Gooding, Motor Industry Correspondent

SUZUKI, THE Japanese group, aims to boost its car sales in Western Europe to compensate for the restrictions it faces in

Suzuki hoped to ship at least 70,000 of its new small car, called the Cultis in Japan to General Motors during 1984-85 for sale through the U.S. group's Chevrolet network.

But its allocation, following the renewal of import restrictions agreed between the Japanese and U.S. Governments, is only 17,000. The total is so small that GM says it is a possibility that it will not take any

Suzuki's registrations in Europe

which have been about 20,000 a year. Suzuki's best European markets up to now have been the Netherlands, West Germany and Belgium. It has recently begun to investigate whether it could expand sales in Scandinavia—it already does

reasonably well in Finland and produce the new car, called the SA310 in Europe, and which is the same size as the U.S. group's European Opel Corsa/Vauxhafl Nova model, by investing Y8.6bn (£25m) in the Japanese group in exchange for 5.3 per cent of the equity.

Subsequently Suzuki spent

Subsequently, Suzuki spent Y40bn on a new assembly plant exclusively for the SA310. A further Y6.5bn went on the development of an entirely new lightweight three-cylinder, fourstroke engine and Y4.5bn was spent on the hatchback body

development. The new car brings Suzuki much more into the mainstream of the industry because up to it has produced very , "micro" cars, commercial vehicles and four-wheel-drive models.

The company intends to broaden the appeal of the SA310 further by the introduction of a 1300cc model by next summer. Capacity of the new Kosai plant is 10,000 a month and Suzuki hopes to sell 3,000 a total continued to rise skowly, month in Japan. the proportion of diesels in the total continued to rise skowly, from 13.2 per cent in 1981 to

Michael Donne, Aerospace Correspondent, reports on American dissatisfaction with Bermuda Two

## Pressure grows to scrap Anglo-U.S. air agreement

MOST U.S. airlines flying the North Atlantic to the UK and Western Europe believe that the agreement some time later this

including routes, fares and frequencies of service. Since its inception, it has been a source of irritation to the U.S. operators, who believe they were out-negotiated, and has led

U.S. airline presidents.
So far, the CAB is not publicly admitting that a denunciation and renegotiation of Bermuda Two is likely this year, but privately senion officials of but privately senior officials of the Board, and most U.S. airline

any time, as can the UK.

But there is no guarantee that any such renegotiation would result in any better agreement for the U.S. than the existing one, with the UK giving no quarter in what would be very

O.s. has become the world's largest manufacturer of diesel engines, displacing Daimler-Benz of West Germany and Perkins Engines of Britain, the

These changes, reported in the latest World Engine Study

by London consultants Plan-ning Research and Systems,

reflect the increased use of diesel engines in cars and the

stagnation of most other diesel

The study says that total world engine production fell 3.4 per cent in 1982 to just under

71m units. This was the third year in a row of declines from

the 1979 peak of 80.6m units.

Although output of both diesel and petrol engines fell,

GENERAL MOTORS of the 13.4 per cent in 1982. U.S. has become the world's The study says the

existing agreement. The next round of talks is due in Washington next month, when U.S. Government, through the the seating capacities offered Civil Aeronautics Board, will by U.S. and UK airlines on the seek a renegotiation of the North Atlantic this coming Anglo-U.S. Bermuda Two air summer will be discussed.

The U.S. operators have already indicated they will seek The pact, signed in 1976, more capacity to enable them covers all civil aviation activities between the two countries, including routes, fares and frequencies of service. Since UK and Europe stimulated by the strength of the dollar.

The view among U.S. airlines is that if they do not get what they want out of those discussions, the pressure for a denunciation and re-negotiation of Bermuda Two will be so strong that the Civil Aeronautics Board will have no alternative but to agree.

operators, British Airways and British Caledonian. British quarter in what would be very tough negotiations.

Regular discussions take place on the operation of the not accept that such an im-

This is because of a mora-torium agreed between the U.S. Civil Aeronautics Board and the air services until that time.

Another UK airline, British North Atlantic fares is one Atlantic, had its original plan for a businessmen's service between Gatwick and New York even other issues such a the company of t tween Gatwick and New York even other issues such as the rejected by the UK Civil Aviation Authority, but this is now allowed to U.S. airlines at tion Authority, but this is now allowed to U.S. airlines at to be re-heard on the direct instructions of Mr Nicholas Rightly or wrongly (and the Ridley, Secretary for Transport. UK can counter all the U.S. If approved, British Atlantic would also not be able to start its services until 1985. One recent cause of abrasion has been the UK's insistence on Pan American withdrawing its evening service between London

and New York, introduced this winter, because of the excessive capacity it was alleged to intro-duce into the market. There have been many other instances of strong differences of view between the two countries of the countrie tries on the operation of the past. U.S. airlines have often sought "fifth freedom" rights

— that is, rights to carry traffic onwards from the UK into Europe.
These have mostly been

Abbotsinch, but will not start the intransigence of European rights we grant. until April, 1985. operators and their govern-

ments to such ventures. There are other examples of difficulties - for example, over UK Descriment of Transport, fares policies (the recent Pan limiting the introduction of new American criticism of "unfair" competition from BA's Concorde

arguments), all these issues have been building up in the U.S. airlines' thoughts, until there is now a collective body of opinion that believes Bermuda Two to be close to

This is what Mr Dan

McKinnon, chairman of the U.S. Civil Aeronautics Board, meant when he told the Financial Times Aerospace Conference in Singapore last week that the U.S. wanted a fairer balance of benefits in all future bilateral

air negotiations.

His speech said this policy would be rigidly enforced. "As we hold additional bilateral negotiations, we will be doing so with a strong interest to denied, largely because such flights would hit British Airways' and other UK airlines operations, but also because of rights given in return for the

"This new attitude in the

U.S. Government does not reflect just the view of the chairman of the CAB, but a majority of the CAB, the Department of State, the Department of State, the Department of Transportation, and, recently, a great deal of sentiment in the U.S. Congress." Mr McKinnon made it clear he was directing his remarks at all foreign countries. His

comments applied just as much to Japan (which has a history of difficult air negotiations with the U.S.) as to the UK But in view of the past difficulties with Bermuda Two, his comments cannot be taken lightly in the UK. Stressing that competition forces efficiency, he claimed that "government-protected mono-polies restrict productivity, and thus create inefficiency."

Mr McKinnon said that any

actions by other countries that created further imbalances in traffic "would cause the U.S. to re-evaluate the merits of con-tinuing existing agreements."

The fact that the functions of the CAB are being transferred to the U.S. Department of Transportation from the end of this year does not alter the situation. The DoT will absorb-most of the CAB officials along with its remaining functions, and will conduct all future bliateral aviation discussions.

#### W. German crude oil imports fall sharply

WEST GERMANYS crude oil imports have fallen thatply for the fourth year in sincession, al-

imports have fallen thatply for the fourth year in succession, although imports of reduced oil products have risen.

About 65.2m tonnes of crude oil was imported light year, down nearly 10 per cent op 1982 and down almost 40 per cent on 1979. It was the lowest volume of crude oil imported since 1965, with prices also lower West Germany's crude oil import bill dropped 15 per cent last year to DM 37.3bm (£9.6bm).

According to preliminary government figures, oil product imports rose about 12 per cent last year, which would mean a volume of about 40.5m tonnes. Oil product imports have been rising steadily for three years, although they are still below the

although they are still below the 1978 peak.

1978 peak.

West Germany has alsahed its crude oil imports partly because of drastic energy savings and recession. But in addition competition in the oil market has produced price advantages in importing oil products rather than crude oil to be refined within West Germany.

Crude oil made up little more than 60 per cent of West

than 60 per cent of West Germany's total oil imports last year, compared with 65 per cent

year, compared with the year, supplying 14.3m tonnes, followed by Libyz (10.4m). Nigeria (7.5m), and Saudi Arabia (7m). The Saudis were the main supplier in 1982, but their deliveries last year were slashed to less than half.

About 28 per cent of West Germany's crude oil supplies came from UK, Norwegian and Danish wells in the North Sea.

A West German report warms that realistic natural gas prices by the major supplier-matlons

by the major supplier nations are required if the "positive trend in the international gas trade," is to continue, writes
Anthony McDermott in Geneva.
A submission to the Economic
Commission for Europe said that gas prices must take account of the interests of exporting countries and also of the situation of the heating market

of the importing countries.

A slowdown in the growth of energy consumption up to 1990 could mean that the share of natural gas in primary energy consumption could reach just 18 per cent compared with 15 per cent in 1982.

## Under terms of the pact, one year's notice of termination the U.S. already outranks the must be given, during which time negotiations for a new agreement must take place. In the interim, the existing pact The U.S. has nine Air Florida. so Suzuki now plans to increase substantially exports to the Board, and most U.S. airline chairmen and chief executives, western Europe. Originally, it intended to ship 1,600 a month but has increased the planned total to 3,000 a month. That would more than double executives, the U.S., under the terms of the part, can seek renegotiation at continues in force. In any such re-negotiation, the U.S. would be bound to press for what, in its view, was a better pact than Bermuda Two, giving, in its own words, more "balanced benefits" to U.S. airlines. The U.S. has nine Air Florida, American, Arrow, Delta, Northwest Orient, Pan American, People Express, Trans World, and World Airways. Additionally, there are many U.S. charter operators. The U.S. has nine Air Florida, American, Arrow, Delta, Northwest Orient, Pan American, Pan America

GM top maker of diesel engines

Japan remains the largest

output. Japan displaced the U.S. as the leading engine production area in 1980.

The sharpest falls in engine

The study says that engine total output was down 7.6 per cent to 1.9m units. Diesel output slowly and this is likely to continue, reaching 92m units by 1987, of which 15.8m would be diesels.

Argentina and Brazil.

GM's emergence as the leadnational producer of engines, ing diesel engine producer posiaccounting for a third of world tion was achieved in spite of recent setbacks to diese ance in cars in the U.S. and a on area in 1980. resulting small decline in 1982. The only area of significant in diesel penetration in that

Mr Dan McKinnon

growth in engine production in market.

1982 was the Far East, where GM had problems with its 1882 was the Far East, where output was up 6.6 per cent to initial venture into diesellowing a restructuring of the industry in 1980 and in Thailand where several Japanese manufacturers have been building up production.

The sharpest falls in engine GM had problems with its onitial venture into diesellowing initial venture into diesellowing ini from 13.2 per cent in 1981 to production in 1982 were in Cen-

## Rees criticises export subsidies

THE GROWTH of export subsidies by means of national aid kets. In some countries it was programmes was criticised by no longer possible to do busi-Mr Peter Rees, UK Treasury Secretary, yesterday. He called for "a major international effort to curtail these self-

Aid to poorer countries was no substitute for access to rich markets, he said, and the indebted nations would fall t :k on protectionist measures to conserve their foreign exchange.

But the time had also come for newly industrialising countries with growing countries with growing economic power to realise their "international responsibilities" and to liberalise their own markets.

Mr Rees said that failure to Europe about the regularity 1982, at Geneva if we are able curb the use of mixed credits with which the U.S. Administrato achieve a positive advance to promote exports had led to tion was legislating to protect at the next meeting."

ness on commercial terms. Even the U.S., which had refrained from using mixed credits in the past, was now considering offering them.

He noted that international competition in fixed-rate credit financing had eased following last autumn's OECD agreement on interest rate subsidies. But the British Government-

was still worried by the public spending implications of rate subsidies, which cost the UK about £500m last year—less than in some other countries.

Speaking to a London business seminar, Mr Rees said there was mounting concern in

domestic industry. The EEC had retaliated against the U.S., quotas on special steels "to show that we mean business." But the EEC did not want to get into a "destructive and cumulative quota war."

Mr Rees, however, justified continued protection of the British textile industry as a case where the speed of adjustment to foreign competition was "simply too great" for some older industries.

He welcomed the Japanese proposal of a new negotiating round in the General Agree-ment on Tariffs and Trade. But

"We shall have to learn from our experiences in November, 1982, at Geneva if we are able

#### **UK NEWS**

## **Energy Department** Buyer for plans to overhaul onshore oil licences

BY DOMINIC LAWSON

THE DEPARTMENT of Energy has fers from the old in that it will permade proposals to the oil industry mit companies to drill for oil, rather which will change the nature of the than merely undertake seismic and search for oil on the UK mainland.

make its views known before the plained of the difficulty in obtaining proposals are submitted for inter-

basis, based on the Ordnance Sur- Farm oilfield in Dorset. vey map. Licensees will have a maximum size of 100 sq km. Previ-ously, companies could obtain licences for up to 500 sq km. Companies will have a fixed peri-

North Sea. Until now, a company could approach the Department of • There will be three forms of onshore license: for exploration, valid for six years; for appraisal, renewable after five years; and for devel-

Previously there have been two licences, an exploration licence val-bid for Candecca earlier this month. Previously there have been two id for three years, and a production Since then, shares in other UK onlicense, for four years. The new exploration licence dif-sistently.

The department plans a radical overhaul of the licensing procedure. The industry has until Friday to the south of England, have complanning permission. This was one departmental approval.

The main proposals are:

The UK will be divided on a grid

of the reasons for the delays involved in the sale by British Gas of its 50 per cent share in the Wytch

Under the new procedures, companies will have to obtain planning permission before the Department of Energy will consider granting a development licence. One oil comod in which they can apply for li-cences, as is the case with the would give even more power to the environmentalists."

Some companies involved in onshore exploration objected to the lack of time which they had been given to make their observations to the department.

There has been a resurgence of interest in UK onshore oil explore-

# for jobs

Clyde lay with reaching agreement tary, said yesterday in the House of

tion of the Britoil contract.

fer three new tranches of Government stock worth £500m. The stock, to be sold as part of the Government's funding operation, com-prises £250m of 9% per cent Treasury 1988, £150m of 9 per cent Treasury loan 1992/1996 and £100m of 9% per cent Treasury loan 1999.

• FREIGHT ROVER, BL's van manufacturing business achieved record sales of £75m last year. Sales of 14,209 vehicles were 48 per

 BRITISH CALEDONIAN, the independent UK airline, is planning to start the first direct air service between London (Gatwick) and Rivadh, Saudi Arabia, this summer subject to approval of both govern-

● ENTERPRISE OIL, the North Sea oil arm of British Gas which is soon to be floated on the stock market, has appointed Dr Myles Bowen, head of exploration at Billiton, the Shell minerals subsidiary, to direct its development programme.

#### By Hilary Barnes in Copenhagen DENMARK'S STRUGGLE to energy dependence upon oil has, in the last decade, run into

frequent political potholes.

The latest and deepest is the row over the country's ambitious plan to develop its natural gas resources—a dispute which in November led the Government to sack the entire board of Dansk Olie Og Naturgas (Dong), the state oil and gas company.

Then this month, a report by an independent firm of accountants C. Jespersen added to the

frequent political potholes.

ants, C. Jespersen, added to the heat by accusing those responsible for the Kr 14bn (£978m) gas project of gross mismanage-ment and bureaucratic inertia. Nevertheless, progress has been made. Oil production in the Danish sector of the North Sea reached about 2m tonnes in 1983 and accounted for about a fifth of total oil consumption which has fallen from 18m tonnes in 1972 to about 10.5m

tonnes a year now.

Coal has taken over from oil for electricity generation, with that is where Dong comes in. coal imports rising from 2.1m
tonnes in 1972 to 9.6m tonnes in 1982.

The gas is being supplied by the Danish Underground Consortium (Duc), consisting of the Danish A. B. Scoller, Company

The nuclear option, however, has been dropped agreement of both Government and opposition parties, less because of its. The consortium has contracted to really 55hm cubic matragets. economic aspects than to avoid to sell 55bn cubic metres a damaging conflict of opinion. Dong between 1984 and 2009. sufficiency, will be the import households, but as energy and distribution of Danish demand has fallen the sales North Sea gas, due to come on target has been cut to 1.7bn

stream in mid-1984. Once gas supplies reach the provisional target of 1.7on cubic to Sweden and West Germany, metres a year, North Sea gas and at prices which have not been oil together will account for revealed. 20.25 per cent of the country's Danish industrial users controlled energy requirement, with tracting for the supply of gas

now water under the bridge ordinary income, and Kr 224m

#### DENMARK'S ENERGY EQUATION Figures in m tonnes oil equivalent **ENERGY PRODUCTION** Solid fuels .....

 Nuclear
 0
 0
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 0
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 Hydro/Geothermal
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 <td **ENERGY DEMAND** Total fuel consumed ...... 16.2 15.3 14.2 14.6 15.1 16.2 ofal fuer common of which:

of which:

Oil (%) 88.4

Solid fuels (%) 2.4

0.7 74.8 5.8 0.7 Gas (%) ...... Electricity (%) ...... 8.5 12.5 13.5 14.3 15.2 15.4 0 4.8 5.3 8.9 11.3 13.0 Source: International Energy Agency, 1982 Review of Energy Policies and Programmes of IEA Member Countries.

since the main pipelines have in unrealised exchange rate been laid from the Jutland west losses were not shown in the coast to Copenhagen and the project has long since reached the point of no return. The Notes account, the point of no return. listue now is management and that is where Dong comes in.

The gas is being complete.

Not surprisingly, the auditors qualified their approval of the accounts, the main complete.

The consortium has contracted to sell 55bn cubic metres to a damaging conflict of opinion.

The next major step, therefore, both to diversify away sell 2.5bn cubic metres a year from oil and to increase self-to industry and around 400,000 missing the Dong Board, rules

The next major step, therefore, both to diversify away sell 2.5bn cubic metres a year to industry and around 400,000 missing the Dong Board, rules

The next major step, therefore, both to diversify away sell 2.5bn cubic metres a year to industry and around 400,000 missing the Dong Board, rules

The next major step, therefore, both to diversify away sell 2.5bn cubic metres a year to industry and around 400,000 missing the Dong Board, rules

cubic metres a year.

The balance is to be exported

reasonable prospects of increas-ing this to 30-40 per cent in the Kr 1.49 and Kr 1.80 per cubic 1990s as new oil and gas finds are found and developed. Sumers Kr 3.298. are found and developed.

In spite of the superficial attraction of tapping an indigenous energy resource, the natural gas project has been the subject of flerce controversy ever since the are subject to energy taxes:

fierce controversy ever since the are subject to energy taxes: go-ahead was given by the Government in 1979, acting first and foremost on the grounds of security of supply.

Economists have argued that it would have been a better proposition to sell the gas to the Continent rather than to build up the distribution network in showed a Kr 175m net profit, Denmark at a cost of almost though only after some window-Denmark at a cost of almost though only after some window-Kr 19bn, including financing dressing. A Kr 70m deferred charges. That criticism, however, is by profit and loss account as extra8.2 9.9 11.1 4.8 11.9 12.4

sortium (Duc), consisting of the Danish A.P. Moeller Company as operator, and Shell. The solution of the saler, are unable in the saler, are unable in the saler, are unable in the saler. costs, the Government will in-tervene, if necessary by legis-

lation.

debt, virtually all foreign loans, relatively independent of the is backed by a state guarantee. Government and the Storting.

finances of Dong or the gas.

A report to the Minister last week by the Copenhagen firm of accountants, C. Jespersen, was at its most scathing on the organisational aspects of the organisational aspects of the gas project. It said that the jungle of committees, which project was submerged in a slowed up the decision-making process and blurred responsitions and financial under-secretaries, emphasising that the Government dog

sovernment authorities).

According to Mr Enggaard, the problem is that Dong has become over-ambitious and too independent, which is why he sacked the board.

"We had to be done.

After the controversy surrounding the gas project, the developments in oil and gas exploration are a happier story.

This spring, the Government will award here.

Source: As above.

Figures in m tonnes oil equivalent

#### **ENERGY USE BY SECTOR**

	1973	1980	1981	1985	1990	199
INDUSTRY					•	
OII	3.4	2.4	2.0	2.0	1.7	1.7
Solid fuels	0.3	0.5	0.4	0.7	0.9	L
Gas	0.02	0.02	0	0.2	8.0	0.7
Electricity	0.4	0.5	0.5	0.6	0.7	0.7
Other	0	Ō	9	Õ	Õ.,	0
Total	4.0	3.5	3.0	3.5	3.9	4.5
OTHER SECTORS					_	<del></del>
Oil	7.4	6.0	5.52	. 4.3	3.0	25
Solid fuels	0.1	0.3	0.4	0.5	8.0	. 0.
Gas	0.1	0.1	0.1	0.5	1.2	1.
Electricity	1.0	1.4	1.4	1.5	1.6	
Other	ō~	0.7	0.8	îĩ	1.7	
Total	8.6	8.5	7.9	8.1	8.1	.8.
TRANSPORT			<del></del>			
Oil	3.5	3.4	3.4	20	3.1	3.
Total	3.5	3.4	3.4	3.0	3.1	3.1
<b>ELECTRICITY GENERAT</b>	TON			-		<del></del>
Total fuel input	4.5	6.7	5.0	7.4	82	8.7
Oil	2.8	1.2	0.7	1.0	1.0	0.1
Solid fuels	1.7	5.5	4.3	6.1	6.7	
Gas	0	Ō	0.	0.2	0.2	
Nuclear	ō	ò	ě	ŏ	0	ĭ.,
Hydro/Geothermal	0.01	_			ŏ	6
Other	0	Ô	A	Ăı	.0.5	Ă,

out the most obvious possibili- that directives from the Folketties for the Government: an in- ing, which the minister is jection of capital or some form responsible for implementing, of compulsion upon house- will be carried out," Mr holders to switch from oil to Enggaard said in an interview. What he fears is a repetition Mr Enggaard denies there is of events in Norway where the a threat to the financial stability state oil company, Statoll, has of Dong since all its Kr 6.9bn carved out a strong position,

The two most recent contro- Mr Jens Christensen, the versies around the gas project ousted Dong chairman and a have not, in fact, centred on the former ambassador to the UK, argued that Dong must be allowed to act like any other oil company, a philosophy he tried to put into effect by a deal to go into the distribution of oil pro-

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Lynn, .

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200

accountability, especially between Dong and the regional
gas companies (organised as
partnerships among local

mainland and offshore areas under what is misleadingly known as the first licensing

This round has arisen because A. P. Moeller, which was awarded a 50-year exclusive concession to all Danish mainland and offshore areas in 1962, was forced three years ago by the Social Democratic Govern-ment to relinquish most of its original concession. The relinquishment procedure will be completed in 1886, but with 75 per cent already back in Government hands, it is to these stess which the new licences

steas which the new licences will apply.

Although to-one expects that any really major finds will be made in the Danish area, especially as Due has already had first chew at the bone, there were applications from 24 foreign and eight Danish companies.

Both the number of applicants and the geographical spread of the block applications, which include blocks in the Baltic, Kattegat, Skagerak and the mainland as well as the North Sea (where Due has concentrated its search and made all the finds to data) are all the finds to date) are regarded as satisfactory by Mr

## Tebbit breaks down demarcation lines

BY JOHN LLOYD, INDUSTRIAL EDITOR

port-oriented ministry would rival the Treasury in its influence over the economy under plans published

Norman Tebbit, Trade and Industry Secretary, marks the completion of a process of welding together the formerly separate trade and industry departments, which were merged after the general election in The major structural reform will

be to break down the demarcation

lines between industry and trade

sectors by making the sponsoring

divisions - such as those covering textiles, motor vehicles or telecom-

munications - responsible for the

export and regulatory sides of their

FAR-REACHING reorganisation of activities as well as domestic indus the Trade and Industry Department tries.

This will mean that the trade functions of the new department will be put at the service of industry divisions, which will be encouraged to be export oriented. They will Publication of the aims by Mr have the further task of ensuring that awareness of new technologies is diffused throughout their sector, especially sectors such as textiles and engineering which suffer from

outdated equipment. Mr Tebbit views the DTI as "the other main economic department beside the Treasury," with the ability to assist domestic industry in becoming more efficient at home, and in winning export orders by joint industry-ministerial delegations to selected markets.

Tebbit's reform, Page 11

# Clyde yard 'best hope'

THE BEST hope of saving some of the 4,000 jobs at risk at the Scott Lithgow shipyard on the lower with private sector interests to take over the yard and complete an £88m Britoil rig contract, Mr George Younger, Scottish Secre-

Britoil's cancellation of the rig, which was two years behind schedule, has brought 800 immediate redundancies to the yard. A further 2,200 jobs may be lost in March. Mr Younger dismissed claims from MPs that the financial consequences of cancelling the contract were greater than the cost of Gov-

ernment intervention to save the The Government secured a majority of 108 to defeat a Labour motion calling on ministers to take im-mediate steps to secure the future of the yard and ensure the comple-

• THE BANK of England is to of-

• PAY settlements have moved down to a range of 2.5 to 8.5 per cent compared with 3.5 to 10.5 per cent this time last year, the Confederation of British Industry says.

## **ENERGY REVIEW** Behind the Danish gas controversy

FOR APPLE Computer, the launch of its latest model, Macintosh, at the company's annual meeting yesterday represents the first public declaration of a major restructuring and refocusing of the company that pioneered the personal com-

crude of

Faced with mounting competition from IBM, the looming threat of a Japanese attack upon its home market and disappointing sales of Lisa, a \$10,000 computer introduced a year ago, Apple had to make some dras-

" We had to do several things "we had to do several things concurrently, and do them all in the middle of an industry shakeout," says John Sculley, president of Apple since last April. "Nineteen eighty-four will be such an important year for Ample that there will be for Apple that there will be little opportunity for error.

"We had to: define our pro we had us: define our product line strategy; get the technology in place to bring the products to market; go through some major restructuring in the company; build the first automated factory in the industry within six months; and then learn how to become a con-sumer marketing company. We think that we have done it."

While sharpening up Apple's competitive edge, Sculley has also tried to preserve the famous. Apple entrepreneurial spirit which drove it to be dollars and cents. In the come the fastest growing com- development group there needs pany in the U.S. in the late to be a more open atmosphere."

"I don't think there is any other company in the world like Apple Computer, it is a Camelot for a lot of very bright people,"

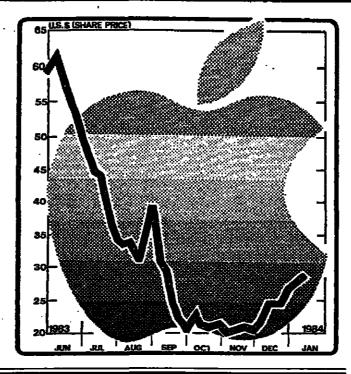
says Scalley.
"In a competitive market place we must have the discipline of a product strategy and comprehensive business plan. It is the discipline of strategy that we have intro-duced into Apple this year, rather than bringing in rules and layers of management.

"To have a free environment and yet still to have discipline is the balance we have to aim at. And I think we are making progress," claims Sculley. Apple's combination of entre-preneutalism and comparate

preneurialism and corporate discipline is reflected, quite literally, in its buildings. The central lounge in its Macintosh group building—with its ping-pong table, video games and new digital stereo system— reflects the personality of Steve Jobs, the company's co-founder and chairman.

But across the road at Apple's headquarters, where Sculley, former president of Pepsi Cola, holds sway, there is a very different style and atmosphere. Says Floyd Kvamme, who joined How Apple aims to get under IBM's skin

The computer group's latest model is vital to its future. Louise Kehoe explains why



preserve the freedoms of the on time or launching bug-ridden. That is what we did with the II was designed in a garage to development group. It is impor-tant that they have liberties. In products.

Retailers were also pleased by sales of Apple II during the 1983 Christmas season. Apple says it sold a record 100,000 units during December. headquarters we have to inter-face with the real world of

development group there needs to be a more open atmosphere."

Of the changes at the top of daple Computer, the most going to stay a retail company at marketing group headed by kvamme. When he arrived at Apple a year ago there was no marketing department, just a Jobs, Sculley and a hundred collection of related functions, the says. Kvamme has been the says. Kvamme has been the says. Kvamme has been to introduce Macintosh to the dealers alot more respect. "We have to find a role that can procomputer to the industry standard set by the going to stay a retail company and those dealers are our warmer." "We have to find a role that can procomputer to the industry standard set by the group is less to the industry standard set by the group is less to the industry standard set by the group is less to the industry standard set by the group is less to the industry standard set by the group is less to the industry standard set by the group is less to the industry standard set by the group is less to the industry standard set by the group is less to the industry standard set by the group is less to the industry standard set by the group is less to the industry standard set by the group is less to the industry standard set by the group is less to the industry standard set by the group is less to the industry standard set by the industry stand Apple Computer, the most significant is the formation of a marketing group headed by Kvamme. When he arrived at Apple a year ago there was no marketing department, just a collection of related functions, he says. Kvamme has been responsible for creating a mar-keting strategy for Apple, and the Macintosh launch is the first dealers last week. to benefit from his efforts.

"There have been two milerinere nave been two lines captured the hearts and the industry, computer industry: the Apple but it did not capture the desk II in 1977, and the IBM personal tops," admits Jobs. Apple has computer in 1981," says Jobs, sold less than 15,000 Lisas since acknowledging the overwhelm the product was introduced, ing success of his major market analyses estimate.

Apple upset its network of retail dealers when it launched Lisa by not allowing more than

tinually changing prices on different "bundles" of Apple II products.

By default Apple has, howApple II and that is what we be built in a garage. The have done with Mac." Macintosh is designed to be

ealers last week. to carve out a position that is The new Macintosh is Apple's going to be totally distinctive." answer to the IBM Personal "Apple is a company that Computer which has stolen the limelight and half of Apole's boasts. But being different is u.s. market share over the past year. "I's a developing Lisa "Lisa developing Lisa "Lisa to be different is expensive. Apple spent \$50m developing Lisa "Lisa to be different is expensive. Apple spent \$50m developing Lisa "Lisa to be different is expensive. Apple spent \$50m developing Lisa "Lisa to be different is expensive. Apple spent \$50m developing Lisa "Lisa to be different is expensive. Apple spent \$50m developing Lisa "Lisa to be different." captured the hearts and the

ing success of his major competitor.

"We have to make Macintosh the third great product of our industry, and we feel that we have 100 days to do it in."

"Macintosh is the first mainstream product that Apple has launched since the Apple II in 1977," says Sculley. With the launch of Mac, Apple has redefined its product strategy.

"We have refurned to our roots," says Jobs.

"Apple's strength is in taking a great technology and turning are redefined its product strategy.

"Reducing the cost of "Lisa" has been convinced that its Lisa technology is the key to spent 20 to 100 hours learning how to use the machine, Jobs meand for personal computers. With Macintosh, Apple has and repackaged Lisa's key features for a quarter of the original price. Apple has also reworked Lisa. Three new Lisa 2s—each with a different memory configuration — will be offered for roots," says Jobs.

"Apple's strength is in taking a great technology and turning are recovered."

Reducing the convinced that its Lisa technology is the key to spent 20 to 100 hours learning how to use the machine, Jobs reckons. "But sooner or later we are going to run out of people who are willing to take time."

If he is right, then Apple as much as any of its competitors, must find a solution. The Apple II, which currently continued to our prices ranging from \$3-195 to 70 hours learning that the key features were prepared to spent 20 to 100 hours learning how to use the machine, Jobs we are going to run out of people who are willing to take time."

If he is right, then Apple as much as any of its competitors, much as any of its competitors, much as any of its competitors, and the first mainstream demand for personal computers.

We have refurned to our roots, says Jobs.

"Apple's strength is in taking a great technology and turning to take the original people who are willing to take time."

If he is right, then Apple as much as any of its competitors, many for the machine, Jobs we are going to run out of people who are willing to take time."

have done with Mac."

To compete in the office personal computer market today, Apple's computers must equipped a highly automated fit into a world dominated by factory in Fremont, California, that can produce Macintosh do not, however, conform to the industry extendent at the findustry extendent at the findustry extendent at the findustry extendent at the findustry extendent.

Macintosh is designed to be built in the millions by robots,"

Sculley quips. Apple has equipped a highly automated factory in Fremont, California, that can produce Macintosh is designed to be built in the millions by robots,"

Sculley quips. Apple has equipped a highly automated factory in Fremont, California, that can produce Macintosh is designed to be built in the millions by robots,"

Sculley quips. Apple has equipped a highly automated factory in Fremont, California, that can produce Macintosh computers are produced in the millions by robots, and the millions by every 27 seconds. "The cost of labour is less than one per cent of the cost of the product."

> With the price reduced to a mass market level, Apple aims to attract the 95 per cent of office workers who do not vet use personal computers. By making personal computers easier to use, Apple aims to tap this fresh market. Current generation computers-in particular the IBM PC-are too difficult to learn to use, main-



Early purchasers of personal

with the current generation products," says Jobs, Jobs grandly compares the design of Macintosh to the invention of the first telephone - Macintosh, he says, is a computer that lets you sing, just as a telephone allowed people to communicate easily and for the first time to intone their

When it came to selling Lisa, Apple thought that it no louger needed the hundreds of third party software creators who had contributed so strongly to the success of its original Apple II. That policy has changed radically with the launch of Macintosh.

Apple will not be in the software business for Mac-intosh; we expect to supply less than 5 per cent of Mac soft-ware," say Apple executives.

ware," say Apple executives.
As well as learning from its past mistakes, Apple has picked up some new tricks. Influenced by Sculley, Apple has plunged into the world of consumer marketing with the launch of Macintosh. Apple will spend \$50m on the Macintosh "roll-out" including a \$30m advent. out," including a \$30m adver-tising budget, and a world-wide publicity campaign.

Recognising that computers are sold by traditional consumer marketing methods rather than by the claims of "Ram, Rom, Bits and Bytes" of the last few years, Apple has put considerable effort into its advertising plans,

During last Sunday's super-bowl football, TV watchers in major cities around the U.S. (including the location of IBM's personal computer division) were treated to a microcosmic view of the Apple/IBM rivalry. During one quarter, commercial breaks featured IBM's new PC Jr. In the second half, Apple's "teaser" commercial announcing the imminent launch of Macintosh was shown.

With its new product strategy in place. Apple seems to have regained much of its old confidence, but the combined effects of a new set of managers and an industry shakeout are taking their toll.

Since Sculley arrived April, almost half of the 15 executive staff has been replaced. Sculley has cut Apple's workforce by 700 people to 4,600 and clamped Apple's down on expenditure.

Being shoved uncere-moniously off its market leadership pedestal by IBM hurt Apple's pride, Sculley acknowledges. "We are a young company,

growing up. We know that anything we get we are going to earn. We are going to earn it by daring to be importantly different. It is that part of Apple as executive vice ever, become more attractive "Apple's strength is in taking \$5.495.

years old.

years old.

by daring to be importantly president a year ago from to the dealers since so many of a great technology and turning Reducing the cost of "Lisa "People talk about a comdifferent. It is that part of National Advanced Systems: its competitors have proved to it into a product that is technology" involved a major pirter on every desk, but it is Apple's arrogance that we don't "We are consciously trying to be unreliable — not delivering affordable for a lot of people. engineering effort. "The Apple just not going to happen — not ever want to lose."

BUSINESS PROBLEMS BY OUR LEGAL STAFF.

#### Transfer of business and CGT

I WOULD be grateful if you would advise me on the following matter concerning Capital Gains Tax and transfer of business on retirement

ment.

I am in practice with my wife and will be 65 in April next; my wife is now 58. We are proposing cessation of business during next spring and making a gift to two of our children, who are suitably qualified, of the business and the premises as a business asset. The premises are free-asset. The premises are freeasset. The premises are free-hold and jointly held by my wife and myself as tenants in common with equal shares and this has subsisted since and this has subsisted since March but previously for the past 34 years has been legally owned solely by my wife.

I would be grateful if you could advise me on the following points which neither I nor our solicitor is able to electer.

our solicitor is able to clarify. Is the Chancellor's intended

increase in the retirement relief to a maximum of £100,000 yet law?

Are we together able to enjoy the maximum relief as on my account, that is the full £100,000 at April 1984 or proon my account, that is the fall £100,000 at April 1984 or proportionately less if the increase is now law? The only information which I have found which bears on this as given in "Smiths Taxation" under the heading of "Transfer of business on mills are the fall of the company to the second of the company to the company retirement" states "Owner-ship by husband and wife is regarded, in practice, as ownership by the other spouse when a business is transferred between them whether on death or other-

I should also say that we propose actually conveying the premises during this current tax year and the goodwill in the next tax year and forgoing a small propor-tion of the retirement allow-

Your solicitor has overlooked

the Inland Revenue press re-lease of July 25 (and you both overlooked the reply published in our Business Problems column on October 5, under "Retirement of farmer"): the crease the retirement relief imit to £100,000 in the Finance (No 2) Bill next spring, with effect from last April 6.

your own share of the goodwill (on or after your 65th birth-

As your wife did not give you your interest in the premises until about nine months ago, your entitlement to retirement relief on your gift of that in-terest will be restricted (and will be zero if the disposal occurs before the anniversary of

your acquisition from your Unfortunately you will not benefit from extrastatutory con-cession D7 (upon which the sencession D7 (upon which the sentence in Smith's Taxation is based), as you will see if you ask your tax inspector for a copy of the free booklet of concessions, IR1. You could also ask him for copies of the free pamphlets CGT6 (Retirement Relief), CGT11 (CGT and the small businessman) and CGT12 small businessman) and CGT12

(Indexation).
It is worth thinking about taking the two children into partnership before you retire; maybe your wife could continue as a partner until she is 61 or so. This is merely a point to so. This is merely a point to talk over with your family and your solicitor — because we do not know the background facts and figures of course.

#### Liquidation and retention monies

I would refer to your epinions on "Estate agent deposit"
(October 19) that monies held
by a private company as
trustee would not form part
of the general assets of the company when it went into liquidation.

Could we have your opinion as to the position of retention monies held by a building owner (private limited company) when the company goes into liquidation?

interest in these monies (JCT Form of Contract 1963 edition, July 1976 revision) is "fiduciary as trustee for the contractor" (Clause 30 (A))—which would appear to be a similar position to the Estate Agent private company.

Yes, we think that the money you refer to would not form part of the general assets of the company. See Quistclose Innestments Ltd v Rolls Rozor Ltd (1970) A.C. 567. Your wife, of course, will not be eligible for any retirement No legal responsibility can be relief, since she will be under accepted by the Financial Times for

the age of 60 at the time of the the onswers given in these columns. gifts.

All inquiries will be answered by you will be eligible for full post as soon as possible.

# right at the centre of things

The effects are already evident. When Apple launched

Lisa a year ago the company seemed to think that its new

technology would sell itself.
With Macintosh, Apple is determined to create interest among

a few hundred of them to carry

been conflicts over Apple's con-

the product. There have also

potential purchasers.



a night-spot And if you pay us a visit in October, you'll find the area quite illuminating.

In Brighton, with its invigorating ozone (as in-haled by Kings & Queens), we offer a choice of two

els, right in the heart of the seven-mile-sea-front The famous Metropole Britain's largest conbittion hotel or the ideal for smaller four - star rated

serve superb food and carefully chosen wines. All room en suite, radio. colour television, ct dial telephones and free in - house

All feature personal sional service. And polite and profe you'll find our rates extremely attractive.

In the past twelve months, representatives from many of the world's leading businesses have experimany of the world's leading businesses have experi-enced the excellence of our hospitality and our

If you'd like to know why, send for the facts.

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METROPOLE HOTELS



Equipment?

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It is proposed to publish greey on the above subject on uesday, 21st February, 1984 For further details and

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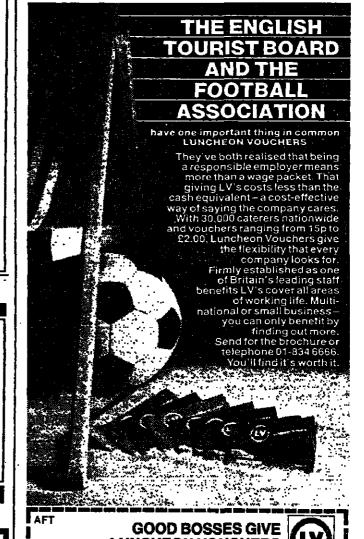
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**MEMORIAL SERVICE** 

#### HOPE-JONES

On January 24th peacefully in hospital. Sir Arthur Hope-Jones, KBE, CMG, aged 72. Much loved husband of Lucile and adored father of Peter and Catherine. Private funeral service will take place later this week, arrangements by Stoneman Funeral Services, Redhill. A memorial service will be held on Friday, May 25th, at 11.30, at St. James's, Piccadilly, for his many friends





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#### THE ARTS

#### Television/Christopher Dunkley

## Fifty golden cheers for Minder

Switch on ITV at nine o'clock tonight and you will see a man chimbing a drainpipe. From him, and the Skye Terrier barking up at him, we cut to the interior of a flat where an attractive girl is taking a shower with the radio on. Our understanding of film conven-tions tells us that the lady is about to be burgled. Sure enough the next shot reveals that the climber who is wearing a mountaineer's harness has reached the roof and is leaping silently across horrifyingly high gaps between dormers.

In a rapid sequence we then

In a rapid sequence we then see the man quietly searching the flat with the girl still in the shower, as a tough looking character arrives outside the block in a car driven by a younger but even tougher looking man. Getting out the elder tells the younger "When I'm in the heat and your in the front the back and yore in the front steerin', it's Mister Metcalfe right?" Wholly unimpressed by this snobbery the younger man drives the car off round the

Meanwhile the burglar who has pocketed a boxful of tom (as we swiftly learn to call (as we switty learn to can jewellery: tom foolery) is abseiling rapidly down the face of the flats, as the beautiful girl who has progressed to sexy black underwear lets Metcalfe in, and the theft is discovered. The third episode of the current and, sadly, last series of *Minder* is under way.

In the following hour we once again meet Arthur Daley who, in a gag casually thrown away behind dialogue, is putting a new "special" price on one of his secondhand cars: £1,390 instead of £1,290. In a trained melavareness, he talk typical malapropism he tells the tough young man, Terry McCann, who is his employee, a "minder" hired out by Daley: "With your sexual parenthesis you're very easily led" but McCann protests: "Listen I did not burgle Micky

The Fish."
All the elements which have made Minder so hugely enjoyable and successful since its able and successful since its opening in autumn 1979 are here again: the London settings, the location film work, the rich argot, the sweet and sour mixture of comedy and realism, and the plot determinedly spreading outwards from character. from character.

But most importantly, course, there are the two lead-ing characters themselves some would say loveable rogues, others parasitical petty criminals—and the actors chosen for the rôles. Since Dennis Waterman had already played the younger half of the leading cockney duo in The

for Master Harold and the Boys

by Athol Fugard which was

nominated Best Play of the

Year. The director of the year was

was adjudged to be Little Shop

of Horrors, which has been play-ing at the Comedy Theatre and

is an import from off Broadway. In proposing a toast to the Arts,



George Cole, Dennis Waterman and Glynn Edwards in "Minder"

Sweeney was a London-based crime series made by Thames Television's Euston Films divi-sion under Verity Lambert's wing, and so is Minder.

wing, and so is Minder.

The real stroke of genius however was the choice of George Cole for the elder partner. It may be sheer fancy but I have never been able to banish the feeling that Arthur Daley with his panatellas, brown trilby and wide-striped ties, is actually Flash Harry thirty years on: the grown up version of the Teddy Boy spiv played by Cole in The Belles of St Trinian's where he wore a Trinian's where he wore a slightly smaller trilby and a drape jacket and acted as fixer for the girls in their nefarious distilling, racing and kidnap-

Nothing much has changed. Today Arthur drives a cream Jaguar/Daimler saloon, and in

to east him in another cockney due as McCann, the young excon and ex-boxer (the other week he made a brief and bloody comeback in a nasty needlematch). After all The week after next when a customer comes back with grass a londer based mer comes back with grass T. P. McKenna plays an irregrowing out of the bonnet where Arthur's panel beater has used dried mud instead of filler) but also a capacious lockup. Through this passes the most extraordinary merchandise, most of it publicised on Police

Five: everything from pogo sticks to Japanese whisky. Bucking up Waterman and Cole's central double act are Glynn Edwards as Dave, bar-man of the Winchester club which is often used as a venue for some rapid verbal sorting of the plot, and Patrick Malahide as Chisholm, the plain-clothes policeman. To say that these four permanent charac-ters form an ensemble as strong as those in M.A.S.H. or Lou Grant would be an overstate-ment, but they certainly get as close as any British series to the virtues of those excellent a American productions, is

ance man, and next week in one of the best episodes ever T. P. McKenna plays an irre-pressible confidence trickster. In writing terms the great strength of the series is that its first preoccupation is with character, the plots serving to enhance them rather than vice versa. All too often British comedy has meant exploitation of the far-fetched. The small time crooks in The Ladykillers for example are certainly comic but they and their exploits are just as incredible as the characters and the macrocosmic criminality in the James Bond films. Arthur Dalay and Terry McCann or Daley and Terry McCann, on the other hand—despite their over-elaborate London slang ("I walk into a well known bird bandit's lair and find some Richard flauntin' 'er 'Arris round the gaff . . .") are wholly credible.

So is the world they inhabit: a society where the economy is wholly black, unemployment one of the running gags of the series complains about the maging of his wife whom we never see and who is known only and always as 'Er Indors. Thus "Er Indoors'll be over the moon. You see she's got these feet..."

American productions.

Furthermore Minder uses is rife, making ends meet succession of gaporting actors who come dance with the law, and every-body moonlights. When and then move on. Last week we saw Lionel Jeffries as the rich eccentric old crook on a Arthur owns not only the car motorbike (a part written not yet discovered it is a coun-

cil flat) to work like blacks he first corrects himself—"Oh no disrespect, like Irish navvies" when he realises they actually are black, and then double-takes when he suddenly recognises his panel-beater's

The most important element of all in achieving this credi-bility, the essential feel of the builty, the essential feet of the series, is the practice of making it on film on location. Like Euston's other work, The Sweeney, Fox and Out, and like some of the best Ealing comedies of the forties and fifties Minder exploits not the London beloved of Hollywood (Westminster Chelsea Hampstead) beloved of Hollywood (Westminster, Chelsea, Hampstead)
but the London that only
Londoners know: Plaistow,
Hammersmith, Notting Hill
Gate, Acton. You don't often
glimpse Big Ben or the Bank of
England in Minder but
breakers' yards, railway arches
and cul de sacs feature very
large.
This dedication to film clearly

This dedication to film clearly This dedication to film clearly runs deep. The episode titles are almost invariably cinema parodies: the first ever was called Gunfight At The OK Launderette and so far the current series has featured Rocky Eight And A Half and Senior Citizen Caine with High Drains Pilferer coming along tonight. Better still, the supply of film stock does not appear mean, though the directors doubtless squeal as much as

Locations vary pleasingly and from time to time (as in the road-training sequence for Terry's boxing comeback) we are treated to the sort of fast-cutting sequences against con-trasting backgrounds — park, canalside, path with chainlink fencing—which score so heavily over work on tape or in studio. Tonight's opening sequence from drainpipe to roof to car to shower and so on holds one's attention in a claw-like grip because it was shot and edited on film.

on film.

There were just 37 episodes of Minder in the first three series. When the current season ends we shall have seen 50. Compared to big American series that is a mere morsel:

Dragnet ran to 398 episodes, the Lucy shows to 479 and Gunsmoke to 512. But the quality of Minder has been very high. Leon Griffiths who conceived it (and wrote next week's superb Leon Griffiths who conceived it (and wrote next week's superb episode), producers George Taylor and Lloyd Shirley, and executive producers Johnny Goodman and Verity Lambert are going to have to do something quite remarkable if they are to sustain the standards set has Eventual Films. by Euston Films with The Sweeney from 1974 to 1978 and now by Minder from 1979 to

#### Eve/Lyric Studio, Hammersmith

#### **Michael Coveney**

After 40 years of marriage to a Montreal accountant, Eve leaves. She adopts a life of squalor in the French quarter. The heroine of Larry Fineberg's play is a strange, unfathomable and, alas, in the end, fatally un-interesting character. She interesting character. She seems to be ill. She appears to want her privacy. Perhaps she just wants to die alone. But she proves nothing to herself or anyone else by rummaging in dustbins for dirty plimsolls and cheap jewellery.

The evening is not a complete yawn because the agelessly beautiful Constance Cummings takes to lead. Her delicate emotional volatility lights up patches of banal writing such as a lunchtime rendezvous with her astonished grown-up son rer asionished grown-up son (Blain Fairman) or the inserted flashbacks to the marital misery she experienced from day one.

The play feels like a radio play and is not dissimilar to the play and is not dissimilar to the Arthur Kopit radio play, Wings, which Miss Cummings irradiated at the National four years ago. But there is little fabric to Mr Fineberg's text and little weight—little wit, too, for that matter—and Miss Cummings's grace, dignity and general buoyancy are seen in increasing dislocation from the play as the evening wears on.

Wears on did I say? The show is down in under two hours and Eve's game plan given a decisive nudge, at last, when a drunken Hungarian, in the formidably bearish appearance of Glyn Owen, falls into her squalid room and, rather like Guy Burgess visiting Coral Browne after seeing her in Redgrave's Hamlet, plunges past her to vomit in the kitchen

The Hungarian is called Horvath and indulges in the odd pastime of singing complete operas with a retired music critic. Alas, Mr Fineberg denies us a glimpse of this activity. Instead, Horvath massages Eve back to some sort of emotional normality and tells her she has beautiful feet.

Eve, based on a Canadian novel by Constance Beresford-Howe, dates from 1976 and was seen on Broadway in 1981 with Jessica Tandy. Romie Letham's Brechtian scenes we witness, is Then the stage version of the Hammersmith production has a one of his best short plays. I BBC TV comedy will open in cumning design by Dermot saw it last Thursday and you Blackpool for the summer.



Constance Cummings

yin(ile

Hayes that combines evanescent views of the old quarter with Thursday night. Ian McDiarmid solid furniture, notably a gives a stunningly uncontained mahogany piece that is either performance. floating where the two acting levels split

Much more to the point, and muscular, is Edward Bond's new short play Red Block and Ignorant which is part of the RSC's "Thoughterimes Festival" in the Barbican. Since Christ-

can tomorrow lunchtime or on

#### Extended runs for 'Snow White' and 'Hi-De-Hi'

Snow White and the Seven Dwarfs, currently at the Phoenix Theatre, has had its mas, George Orwell have run extended to Saturday, become two of my least favourite words but Bond's White will be played by Denise raging parable of a dead and blackened civilian called Monster slouching towards birth with some painful lessons of the Noland of the Nolan Sisters. The run of Hi-Da-Hi at London's Victoria Palace Theatre is being extended by experience intact from the nine Brechtian scenes we witness. is

#### Fiona Chadwick/Covent Garden Clement Crisp

yesterday at a luncheon at the Savoy Hotel. The Comedy of the Year was Tales from Larry Savoy Hotel. The Comedy of function of subsidy for the arts the Year was Tales from Holly-arood by Christopher Hampton, garden in which anarchy can which was presented at the National Theatre. The Best Actress of the Year was the opera award was to be given Geraldine McEwan for The to Claudio Abbado for his role Ricals, also at the National as conductor of Boris Godunov Theatre; and the National at the Royal Opera House; and the Standard Ballet Award to Theatre Ecological a third award the Standard Ballet Award to David Birtley for two new Fiona Chadwick's Aurora has to infuse her little, trilling pas blossomed. On Monday, her de bourrée with such a feeling performance had that seuse of of Aurora's girlish happiness. the opera award was to be given to Claudio Abbado for his role as conductor of Boris Godunov at the Royal Opera House; and the Standard Ballet Award to David Bintley for two new bloom and between the count of the English Bintley for two new bloom and between the count of the English Bintley for two new bloom and between the count of the English Bintley for two new bloom and between the count of the English Bintley for two new bloom and that sense or happy command of the role which is one of her best attributes as a dancer (and which made her account of the English Bintley for two new bloom and that sense or happy command of the role which is one of her best attributes as a dancer (and which made her account of the English Bintley for two new bloom and the country of the role which is one of her best attributes as a dancer (and which made her account of the English Bintley for two new bloom and the role which is one of her best attributes as a dancer (and which made her account of the English Bintley for two new bloom and the role which is one of her best attributes as a dancer (and which made her account of the English Bintley for two new bloom and the role which is one of her best attributes as a dancer (and which made her account of the English Bintley for two new bloom and the sense of the properties and the sense of the properties are the sense of the properties and the sense of the properties and the sense of the properties are the sense of the properties and the sense of the properties and the properties are the sense of the properties and the sense of the properties and the properties are the properties are the properties are the properties and the properties are the properties and the properties are the properties are the properties are the p The Award for the Most Promising Playwright went to Phil Young who devised and

directed Crystal Clear, a play tion of Crime and Punishment about love among the partially at The Lyric, Hammersmith, sighted which transferred from The Best Musical of the Year the Old Red Lion in Islington. te Old Red Lion in Islington. secure, unfussed technique and The Best Actor Award went warmth of temperament — Royal Shakespeare Company in

to Derek Jacobi for his heroic series of performances with the the Barbican. He has distin-guished himself as Cyrano de

chanted Garden Fairy in the Prologue a week ago one of the very best I have ever seen: the dance stated from a position of Prologue a week ago one of the

But her gifts—already amply
very best I have ever seen: the
dance stated from a position of
formidable strength and radiant
charm).

Miss Chadwick is a dancer of
surface of surface of the strength and charm of the strength and charm of the strength and control of the strength a

Since her debut in *The Sleep*- dynamic, and give her interpre- along—and for a self-sufficient ing *Beauty* a couple of years tations a momentum and an purity of means in which her ago at a matinee in which the energy which are as much score trailed round her bright psychic as physical. And how feet like unravelled knitting, lovely it is to see an artist able. We have much to hope for from

Miss Chadwick's prince was Wayne Eagling, sure partner and energetic exponent of his The sum effect of her Beauty is always persuasive, and we never doubt for a moment her ability to sail through the role, and to do it wouthful tracks. was notable for the ballon and clean technique of Anthony Dowson and the precision and sweetly open outlines of Ravenna Tucker's dancing as and to do it youthful justice. Florine. technical command. What must

Dancin' ends qualities which fit her admirably for Aurora. More particularly she has a sense of the
onward progress of choreography, an ability to state dancgraphy, an ability to state dancgraphy and progress of choreography and progress of the Minister for the Arts, Lord guished himself as Cyrano de Gowrie, said that the arts were not in danger from this government. He said it was his brief the Arts, Lord guished himself as Cyrano de graphy, an ability to state dance. She is probably a dancer for after just 11 weeks. The probably a dancer for after just 11 weeks. The probably a dancer for after just 11 weeks. The probably a dancer for after just 12 weeks. The probably a dancer for after just 13 weeks. The probably a dancer for after just 13 weeks. The probably a dancer for after just 13 weeks. The probably a dancer for after just 13 weeks. The probably a dancer for after just 13 weeks. The probably a dancer for after just 13 weeks. The probably a dancer for after just 13 weeks. The probably a dancer for after just 13 weeks. The probably a dancer for after just 13 weeks. The probably a dancer for after just 13 weeks. The probably a dancer for after just 13 weeks. The probably a dancer for after just 13 weeks. The probably a dancer for after just 13 weeks. The probably a dancer for after just 14 weeks. The probably a dancer for after just 15 weeks. The probably a dancer fo

#### Russians/St John's and Radio 3

#### **David Murray**

Monday's BBC Lunchtime
Concert gave equal chances to
both the violinist Mark
Lubotsky and the pianist Boris
Berman. Mr Berman began
with two of Shostakovich's fine
—and surely under-performed—
Preludes and Fugues, op. 87,
the pairs in E minor and in
D-flat. The former has a gently

the pairs in E minor and in D-flat. The former has a gently worried Prelude that is purest Shostakovich and one of the more often than not the Elegy more Bach-like Fugues in its thematic cut, the D-flat couple are theatrically grandiose. Berman was extremely effective in both moods and his intellectual control was impeccable.

merest traces of slipped pitch). Sizzled through both Scherzo and Finale. Lubotsky has a dab pizzicato hand, and Berman was elegantly detailed in the piano part beyond anything was elegantly detailed in the piano part beyond anything the piano part beyond anyt

#### Sydney Quartet/Wigmore Hall

#### **Dominic Gill**

The Sydney String Quartet are — or were, until a recent change of half their number forced them to begin again the lengthy process of forging a collective musical identity — one of Australia's most distinguished string quartets. They opened their recital on Monday with a performance of Haydn's E flat quartet op 50 No 3 which indicated that the process is probably not yet finished: observant and caring, but roughly cut. Intonation problems were shared fairly sequenced in the first and last: an opening tempo con modo, hesitant, quirky, impassioned; the finale, a valedictory violin melody accompanded by a twilk finale, a valedictory violin melody accompanded by a twilk groundswell of harmonics. The Sydney Quartet ended with Bartok: a performance of Bartok's sixth quartet, and indeed most of its notes, but which in most other detail was largely uninflected; the music which emerged as a result was striking of the five movements

## Arts Guide

#### Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the

#### Arts appears each Friday.

#### January 20-26

come next is, I hazard, further

#### Theatre

#### WASHINGTON

Beyond Therapy (Kreeger): Christo-pher Durang's romantic comedy has all the elements of modern singles life including meeting through the personals column of a newspaper personals column of a newspaper and a scene in a hip restaurant, but it reflects more than explores the shallowness of a surfeit of choices. Arena Stage (4883300) Woman of the Year (Opera House):

Lauren Bacall plays an overbearing, ambitious woman in this thin musi-cal that was a Tony winner in a bad year on Broadway. Ends Feb 12. Kennedy Center (254 3770)

#### LONDON

Dancin' (Drury Lane): Bob Fosse's answer to A Chorus Line makes Wayne Sleep and his Dash company look like the reat thing. At least the band is splendid, and so is Jules Fisher's lighting. Anyone who has seen Alwin Nikolais or even Fosse's own All That Jazz need not apply.

(8368108). Blondel (Old Vic): It is a real pleasure to visit Honest Ed's Old Vic, full of light, space and pleasant stairways. Shame about the show, which not even Paul Nicholas's charm as a troubadour (rhyming with "londle") in search of both Richard the Lionheart and a hit song can rescue. Blondel finds his king, but not the

rhapsody. (928 7616). Dear Anyone (Cambridge): Jane Lapo-taire, without Piaf's songs, is still a

very fine musical actress, but Jack very fine musical actress, but Jack
Rosenthal's book to byrics by Don
Black and music by Geoff Stephens
is nothing except a few Jewish
jokes. Ralph Kolta's design for a
newspaper office is an impressive
steel astrolabe. (379 529).
Hay Fever (Queen's): Penelope Keith
is more "right" for Judith Riss than

were either Edith Evans or Celia
Johnson. She is very funny, winsomely autocratic, distracted. The
supporting actors roll over without
protest. (734 1166).
Pack of Lies (Lyric): Judi Dench in a

Pack of Lies (Lyrie): Judi Dench in a decent, enthralling play about the breaking of a spy ring in the suburban Ruislip of 1959-60. Hugh Whitemore's script cleverly constructs a drama about betrayal from the friendship of neighbours. The story is based on fact and well directed by Clifford Williams. (437 3888). The Real Thing (Strand): Susan Penhaligon and Paul Shelley now take the leads in Tom Stoppard's fascinating, complex, slightly flawed new play. Peter Wond's production strikes a happy note of serious levity. (838 2680/4143)

ty. (838 2680/4143)

Daisy Pulls 1t Off (Globe): Enjoyable romp derived from the world of Angela Brazil novels: gym slips, hock-ey sticks, a clifftop rescue, stout moral conclusion and a rousing school hymn. Spiffing if you're in that sort of mood. (437 1592)

Cats (Winter Gerden): Still a sellout Trevor Num's production of T. S. Eliot children's poetry set to trendy music is visually startling and

choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262)
La Cage aux Folles (Palace): Perhaps
universal musical

this season's outstanding musical comes, like Evita and Cats before it, at the very beginning of the theatri-cal year. Despite stellar names such as Harvey Fierstein writing the book and Jerry Herman the music, the best parts of the show are not the hoopla, apart from the first-act finale a la Galite Parisienne, but the intimate moments borrowed direct from the film. (1572626) 42nd Street (Mejestic): An immodest celebration of the heyday of Broad-way in the \*30s incomposates eems

celebration of the heyday of Broad-way in the '30s incorporates gems from the original film like Shuffle Off To Buffalo with the appropri-ately brash and leggy hoofing by a large chorus line. (977 9020) Torch Song Trilogy (Helen Hayes): Harvey Fierstein's chullient and touching story of a drag queen from backstage in loneliness incomprates

backstage to loneliness incorporates all the wild histrionics in between, down to the confrontation with his doting Jewish mother. (944 9450) Dreamgirls (Imperial): Michael Bennett's latest musical has now be-come a stalwart Broadway presence

despite the forced effort to recreate the career of a 1900s female pop group, a la Supremes, without the quality of their music. (2396290) Nine (46th St): Two dozen women surround Sergio Franchi in this Tonysward winning musical version of the Fellini film 5%, which like the original celebrates creativity, here as a series of Tommy Tune's excit-ing scenes. (246 0246)

A Chorus Line (Shubert): The longest-running musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the rusical genre with its backstage story in which the songs are used as audi-tions rather than emotions.

On Your Toes (Virginia): Galina Panova with presumably a genuine Russian accent leads an exuberant cast sian accent leads an exuberant cast in the remake of Rogers and Hart's 1936 sendup of Russian ballet tours, complete with Slaughter on Tenth Avenue choreographed by George Balanchine and directed, like the original, by George Abbott. (9779370)

(871 9570)

Brighton Beach Memoirs (Neil Simon): If he wasn't sure before, playwright Neil Simon can expect a long run of his funny as well as touching childbood reminiscence now that the Nederlander organization generously decided to name the theatre after the generation's outstanding box office draw. (757 8846)

E. R.(Forum): Moving into its second year parodying melodrama in a hos-pital setting, this emergency room continues its adventures among a continues its adventures among a young doctor, a receptionist and an authoritarian nurse. (496 3000)

Candida (Goodman Mainstage): Munson Hicks, better known as an actor, adds Shaw's jaundiced view of a minister's marriage to his list of directing credits. Ends Feb 19, (443 3800)



Harvey Fierstein in his Torch Song Trilogy

## The Trial of the Catonsville Nine/Munich

#### **Ronald Holloway**

In these heady days of the peace movement in West Germany and other European countries, a play portune time as European citizens in the troupe. On that score, and other European countries, a play like Daniel Berrigan's documentary drama, The Trial of the Catonsville Nine, deserves to have the dust shaken off it for a number of rea-

The primary reason, of course, was the appearance of the Berrigan brothers, Jesuit priest and poet Daniel and ex-Josephite priest Philip, in a remakably convincing documentary film made by Emile de Antonio. King of Pruesia (1992) wintonio: King of Prussia (1982), winner of the International critics' Prize at last summer's Locarno film festival. That film was invited to the Berlin film festival last February too, the occasion matched by this revival of Daniel Berrigan's play on the Catonsville Nine produced by the Berliner Compagnie, a road company whose only attraction is this "peace drama."

fence they committed earlier in peat of the same.

lective. They have performed their sole production in churches and schools, city auditoria and legiti-mate theatres, even youth and com-munity centres - in fact, for anyone and everyone who chooses to invite them. The troupe carries its courtroom-set on its back, so to speak, as the company zig-zags its way across Germany from Osnabrück to Munich to Karlsruhe, and back to Berlin again. Since the première in May 1982, the production has to-talled well over 150 performances – and the invitations still pour in.

by the same play was produced at the Münchner Kammerspiele in the early 1970s under the direction of Intendant August Everding. The production was televised, and theremovement in general. This goes on Jugand, the best is drawn from the formula of the stage of a small theatre, as happened in Munich at the Theater der Jugand, the best is drawn from the by reached a large German public for another 90 minutes or so; after troupe's mixture of veteran and at the very time the Vietnam crisis words, the troupe of 13 save ex- young acting professionals. One forwas winding down in America. The penses by staying overnight as gets the message and is absorbed reappearance of the play in conguests of the hosts who invited by the emotional impact of a solutional congression. junction (international or not) with them. This usually means more talk ing, low-keyed delivery of factual the documentary film featuring the into the night, then an early rise to testimony from another time and continue on to the next town or city place. An audience pays reverence Pennsylvania for much the same of- by the later afternoon - and a re- to the very process of thinking out

portune time as accorporate catzens in the troupe. On the state and face a similar dilemma of active (or passive) civil disobedience.

The Berliner Compagnie under Gerhard Fries is a committed collective. They have performed their (Shortly, according to publiclesed reports, more performances will be booked at larger theatres in Frank-furt, Switzerland, and elsewhere. Indeed, The Trial of the Catonsville Nine is now well on its way to becoming the longest running theatri-

cal hit of the season.)

Documentary drama has a long tradition in German theatre. This one stems from across the Atlantic, instead of originating at home. The performances are as naive and convincing as the statements are sim-ple and provoking. Church groups and university students tend to rel-This is not a particularly profes- ish the drama of the peace movehis "peace drams."

sional offering. The main object is ment most of all; the discussion in the perform before already committed instances can be hot and

#### **TECHNOLOGY**

## Prutec backs UK personal printer

BY GEOFFREY CHARLISH

Prutec, PA Technology, Thorn-EMI, Cherry Electrical, GEC Reliance and Ingersoll Engineers are involved in a new, virtually all-British office technology product—a type-writer that can be a word processor or a personal printer. The company marketing it is Panorama Office Systems, in which Prutee, the high technology investment wing of the Prudential Assurance Company has trusted \$2.500. has invested £2.5m.

If was set up early in 1982 by Eric Winkler, formerly of Sussex University who had previously started successful chess computer company in Hong Kong Further funding of some £600,000 has been forth-

The mechanical and electrical design of the system, dubbed Personal Typing Centre (PTC), has been undertaken by PA Technology at Cambridge while Ingersoll Engineers has been responsible for the production engineering. For system soft-ware Panorama went to three consultancies — Mari, Syadon

Aimed specifically at the profestional typist and secretary. UK to use a domestically-manuthe new machine consists of factured daisywheel printer. In three units, One is a 14-inch display unit containing a 5.25 separately at a price yet to be inch floppy disc holding up to 75 pages of A4 text. It will be manufactured to Panorama's design by Thorn-EMI at the Feltham plant.



Eric Winkler, chairman of Panorama Office Systems with

designed bi-directional daisy-wheel printer, which is being Germany.

made by Vanderhoff Communi-mate by Vanderhoff Communications in Nuneaton. The PTC will be the only product in the UK to use a domestically-manu-

Mr Terry Cooke-Davies, managing director of Panorama. believes the PTC will fill an important market niche be-tween electric and simple electronic typewriters on the one hand and larger scale word processors on the other.

There are three modes of operation. With the keyboard placed in front of the printer, 

ing the operator to store and extract pieces of text. Finally, it can be employed for quite sophisticated word processing with delete, insert, move, scrolling, re-formatting, justifying, centring and other functions.

A useful feature of the word processing software is that assistance can be obtained at the bottom of the screen at any moment by pressing a "help" button. The function is ex-plained and necessary actions outlined. "But," said Mr Mike Kennedy, marketing director, we have tried to avoid WF functions a secretary would not out the baggage."

Printing instructions are given by filling in blank areas on a print instruction screen. While printing is in progress at about four words a second, the operator can start typing on a

On the screen, each character is written in a 16 x 9 matrix for 80 on each of the 25 lines. Bold. single and double underlined text is displayed and printed via an easily-removed 96-character daisy wheel. The processor is an Intel 8088 micro and 128k of random access memory is

provided. The company claims that the PTC provides a smooth upgrade path from the electric type-writer to powerful word processing. Cooke-Davies is convinced there is demand for this kind

#### CANADIANS PLAN ROBOT VISION EXPERIMENTS Car makers eye space tests

By PETER MARSH

The robots could see action in car plants later in the decade. arm, astronauts inside the For example, they could watch shuttle's crew quarters have to out for parts arriving on a production line and fit them into Canada's National Research containers.

Car and machinery companies
in Canada are participating in
the design of the space experiment, which will take place in
artificial vision is one of about two years and involve one of the country's newly enrolled team of astronauts.
In the project, workers will put a TV camera on to the end of a large mechanical arm built by the Canadian Government for the U.S.'s fleet of space

shuttles,

The arm anchored in the cargo bay of a shuttle, reaches

instructs the arm how to move to do specific jobs. In this way,

metres above the earth may "fingers" on the end of the help car factories in Canada to arm could pick up pieces of operate robots with artificial space hardware without human

intervention. With today's version of the

two space experiments on which Canadian scientists are working.

Council has spent C\$100m developing the arm, which has seen service on five out of nine

shuttle flights. into space to grab orbiting satellites. Alternatively, it may inject spacecraft from the bay into orbit.

Images from the camera will other is a study to determine the cause of space motion sickingtructs the arm how to make the cause of space motion sickingtructs the cause of space motion sicking into orbit.

ness and how to treat it. The ailment, which affects

AN EXPERIMENT 300 kilo- for example, the mechanical many spacemen and women in metres above the earth may "fingers" on the end of the the first few days of flight is help car factories in Canada to arm could pick up pieces of similar to travel sickness Besides being unpleasant, it can disrupt the work of space

EDITED BY ALAN CANE

The experiments will feature on separate flights of a space shuttle in December 1985 and the spring of 1986. The U.S. National Space and

missions

Aeronautics Administration will give a free trip on each flight to one Canadian citizen. These people will be chosen from a squad of six astronauts which the Canadian Government chose last month.

The six were among 4,300 who answered advertisements in the Canadian Press. The five men and one woman all have PhDs. three in medicine or

neurobiology and the others in physics and engineering.

The astronauts are on two-year civil service contracts with the National Research Council. Dr Karl Doetsch, the head of the council's space technology programme, says that the con-tracts will be expanded if Canada does more work in

#### HOW TO CHOOSE A TELEPHONE SYSTEM Switching for the best

BY GEOFFREY CHARLISH

If you needed fewer than 100 petition. extensions, you went to the Post Office, now British Telecom, as that organisation had a monopoly of both supply and maintenance. Above 100 extensions there were four manufacturers — Plessey, GEC. STC and TMC — who could sell direct to the end user.

The 1981 Telecommunications Bill freed the under 100 line market and now the list includes names such as Philips. Mitel, GTE-Ferranti. Thorn Ericsson, IBM, ICL and Datapoint, not to mention BT itself.

In addition, the switching technology used in exchanges has been rapidly changing from

exchanges have to be appreci- from the business angle, having

FOR MANY years choosing a ated and at the same time PABX (private automatic prices are dropping due to branch exchange) was easy. The book deals clearly with

The prospect of voice and data integration adds to the difficulty, with established tele-com companies and the new

Prices are dropping due to intense post-liberalisation competition\_

entrant computer companies battling for the executive's desk-top.

So a report called "Buying a Strowger and Crossbar electro-mechanical through reed is director of telecoms studies

been a marketing manager at Plessey.

the new extension facilities that are available, what management facilities should be looked for (such as call logging), how the various generations of PABX work, multi-site working, yardsticks for choosing a supplier and what the future has in

The prospects include the need to accommodate commu-nicating word processors and microcomputers, "electronic microcomputers, "electronic mail," data terminals for executives who want to access computer data, and image terminals. These facilities may or may not be provided via the PABX, but the possibility is

considered.

there and needs to be

heat exchange drinks dispense, fluid power. special-purpose valves, general engineering, refined and wrought metals. Birmingham, England

#### Communications

#### Voice and data linked

ACCORDING TO a survey carried out by Strategic International, most communications managers are thinking in terms of voice and data

integration as a communica-tions growth path. Integration has already taken place at six of the 50 at 20 more. Only 30 per cent of the managers have no interest in the idea at the

Details are contained in two reports from Strategic which form parts five and six of an eight-part study dealing with the local communications environment. The study is based on a series of detailed focuses on the interaction between and the relative roles of the private branch ex-change and local area network. The idea is to define business opportunities for the vendors of office and factory automation systems.

The report says that whereas companies like Rolm, Northern Telecom and Inter-com have "high visibility and good reputations," apparently AT&T is viewed "as not competitive, reluctantly involved with new technology and not skilled in the data area."

Another interesting finding is that customers' desires in pllers' ability to meet them. More from International Planning Information, Nordre Ringvej 201, 2600 Glostrup,

#### Safety

#### **Dust mask**

A DUST filter mask, called developed by Siebe Gorman. The mask uses disposable one shift filter pads available from a dispenser at a point suitable for the user about to start duty. Siebe' Gorman is at Avondale Way, Cwmbran, Gwent (063 33 61211).

## BRITISH COMPANY DESIGNS ITS FIRST CNC MACHINE TOOL Spindle drill cuts production costs

chips of granite rock in epoxy resin for the base of the machine has simplified its manufacture using a form of "cement mixer" in the corner

was developed by Studer of Switzerland and is licensed in the UK through the Cranfield

At the same time, the use of rotating components, of the

components for the machine's base has cut production costs and eliminated the need for of the factory.

This material, 85 per cent in spite of the precision granite and called Granitan, required for the running rails. The chief novelty of the machine comes from the use of

A NOVEL British machine tool has been designed and launched by Leslie Hartridge, part of the Lucas group, to overcome production problems in traditional machine shops.

At the same time, the use of tic D400 computer numerically controlled horizontal drilling the machine energy face of the cube is positioned ready for horizontal drilling by the CNC machine tool, the other horizontal runners, carrying the rotating components, of the controlled horizontal drilling by the CNC machine tool, the other ready for horizontal drilling by the controlled horizontal runners, carrying the rotating components, of the cube is positioned ready for horizontal drilling that the controlled horizon The total absence of cast iron

a rotating cubic work table. This is designed to allow the Institute of Technology.

Leslie Hartridge's new Cubomachine tool operator to carry

loading and unloading of machine components.

The cubic design also means that metal swarf from the drilled component falls under gravity into an enclosed bin from the vertical face. Any remaining swarf falls when the drilled surface rotates to the position of the bottom hori-

nents by 20 per cent compared with the conventional manual vertical spindle drills still used at Leslie Hartridge, the com-pany claims. The company also estimates that up to 12 conven-tional spindle drills can be replaced by one Cubotic D400 CNC drill. The company's main business

is producing test equipment for diesel engine pumps rather than machine tools. But the slow speeds of the traditional spindle drills and the need to produce is through reed is director of telecoms studies considered.

mechanical through reed is director of telecoms studies at Butler Cox, is timely and at Buying a PABX, by Roger and through to pure electronic.

The choice is therefore second value for components. It was this problem that led the company is the new features possible to design and produce its first of the company is the new features possible out, both academic vices, 56 Holborn Viaduct, and through reed is director of telecoms studies considered.

Buying a PABX, by Roger considered.

Buying a PABX, by Roger considered.

Buying a PABX, by Roger considered.

Communical through reed is director of telecoms studies at Butler Cox, is timely and at Buying a PABX, by Roger considered.

Buying a PABX, by Roger considered.

Communical through reed is director of telecoms studies at Buying a PABX, by Roger considered. These features cut the production time for steel compo- CNC machine tool.

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Wednesday January 25 1984

# Challenge for Saudi Arabia

fourth development plan cover-ing the period 1985 to 1990, whose key features are now starting to filter out. The plan cmphasises the role of the private sector: it is private entrepreneurs and private managers who must now make the running. They must justify the infrastructure put in place by the Government at a cost of some £160bn over the past decade, whose construction has itself been the mainspring of the economy up till now.

In contrast to Kuwait, Saudi Arabia has consistently elected to pour its oil income inwards upon itself rather than outwards as foreign investment, in its efforts to store up non-oil wealth for the future. The Kingdom probably had little choice. once it had decided to keep its oil flowing, because of the immense quantities of money involved.

Transition to a less oilorientated economy was an obvious consequence of this strategy, but the challenge has suddenly become more imme-diate and difficult than might have been expected. The weak-ness in the oil market means that the Kingdom is now earning revenue on only about 4m barrels of oil per day compared with 10m in 1980-81. The weakness in the world economy has undermined the basic industry projects which the Government set in train as the cornerstone of the country's industrial development.

#### Expatriates

Saudi Arabia already has a lively private sector which has developed, with substantial government encouragement, during the years of infrastructure construction. There is already a surprising breadth to the Kingdom's light industry, agriculture and private sector services. Together these ac-count for some 56 per cent of GNP. Construction still does, however, make up about one fifth of GNP and a sizeable pro-portion of private sector activity is directed towards it. The Government is now proceeding cautiously in beginning new construction and basic industry projects and is said to be delaying payments to subcontractors with the result that some suffering an unaccustomed fin- chosen development strategy

the Saudi Arabian changes in Saudi Arabia, some economy stay in the orbit into of which appear to be reflected which its rulers have boosted it in the fourth plan. The first is over the past 10 years? This question is implicit in the fourth plan. The first is that the Government will have fourth development plan. men and workers-not there temporarily for this or that project, but permanently to build businesses. It is hard to see businesses. It is hard to see how the industrial dreams embodied in the immense and largely empty infrastructure of the City of Jubail on the Gulf coast will ever be realised with-

> Second, a lively capital market is required to allocate the pools of Arabian wealth in a more effective way. The Government is very wary of creating a stock market because creating a stock market because it is determined to avoid a Kuwaiti-style debacle. Part of the answer must lie in avoiding the shortage of stock relative to wealth that lay at the root of Kuwait's dizzy speculation. The fourth development plan envisages privatising the country's two largest state concerns Petromin and the Saudi cerns, Petromin and the Saudi Basic Industries. Both would be practical steps in the required direction, and might usefully be followed by the floating of Saudia, the state airline, and the electricity utilities.

Disbursed wealth

Third, it is difficult to see how the Saudi Government can continue indefinitely with its current rate of payments on welfare, on subsidies and on the maintenance and operation of lavish public facilities constructed up and down the country. The private sector is being asked to emerge in an environment where the state provides to the point of excess. In Jeddah, many miles of imposing gardens are intimated imposing gardens are irrigated with desalinated water. In Riyadh electricity consumption soared 40 per cent last year because its price was so mean-inglessly low. There are no

personal or corporate taxes and few indirect taxes. Meanwhile, the Government's current spend-ing rises remorselessly as a proportion of its total oil and investment income.

The royal family has intentionally disbursed its wealth to preserve political contentment

throughout the Kingdom. It now faces the task of unwinding the expectations of its people and persuading them to provide more of the wealth they consume. This is the test that The hoped-for rise of the priate sector implies other Islamic fundamentalism.

The spin-off from defence R and D

absorbs too large a proportion of the UK's research and development effort. That seems the obvious conclusion from the first annual report on British government R and D expenditure. It shows that defence is by far the biggest item, representing half the total and almost double the budget of the next biggest sub-sector, education and science.

Despite the efforts of successive governments, Labour and Conservative, since the mid-1970s, the proportion of the public-sector R and D budget spent on defence needs has continued to grow. At the same time, the proportion directed at civil industry support has fallen, although this can be explained by the rundown of major expenditure on two dominant aero-space projects—Concorde and

In the current financial year defence R and D can confidently be expected to exceed £2bn. While the managers of other major slices of the R and D cake, such as the research councils, are pleading with government for just another million or two, and while civil industry has slipped about one third in its share of the cake in the past decade, is a remorselessly rising defence R and D budget really

#### Engineering

One point that is easily forgotten about the defence R and D budget is that most of it is spent in the UK engineering in-dustry. Of a total ontlay in 1982-83 of £1.9bn, £1.21\n was spent within private or stateowned industry. Another £122m was spent overseas. Only £533m was spent in the Ministry of Defence's own research centres the same as was spent by the research councils.

The Cabinet Office science secretariat, which wrote the ment patterns progressively in the district and the deleter in years to come. Currently, there dustry, as in other high-tech-is increasing emphasis on nology sectors, deprives the weapons systems rather than EEC of an opportunity to weapons platforms, and a will-strengthen its industrial base. It we does not have one Michelin rosette. Thus Queenstown Road can boast three rosettes in all. That in the U.S. often get score is only equalled in Britain itchy feet—one outcome of panies. Since joining Electra he

industry ingness to forgo the last few per proportion cent of weapon performance arch and "where this adds dispropor-that seems tionately to the price. "Organisa tionally, project support work is gradually being shifted from MoD establishments into indus

> A more rounded picture of the national R and D cake should emerge with the 1984 report, expected in the autumn, which is to include not only more recent figures for govern-ment expenditure but also the expenditure of state-owned and

It can be argued that post-

private industry.

war Japan was fortunate in not having a large defence industry to support; its best scientists and engineers could be used in activities more directly relevant to the commercial market. At the other end of the spectrum spending on defence R and D in the U.S. has been on such a scale that it played a key role in developing new technologies; defence R and D is seen increasingly as a means of ensuring American leader-ship in high technology indus-tries. The U.K. falls between these two extremes. Yet it should be possible to secure a greater commercial spin-off from defence R and D than is

Sir Robert Telford, chairman of Marconi, has suggested that the Ministry of Defence could do more to encourage its contractors to invest in advanced manufacturing technology. Economical methods for producing relatively small numbers of very high-precision parts are badly needed throughout industry and the Ministry of Defence could provide a useful

At the EEC level, defence R and D has to be seen as one of the instruments for improving industrial performance. More open competition for defence procurement throughout the EEC might help to reduce costs report, says two trends are EEG might help to reduce costs apparent in defence R and D—one technical and one organisational—that will affect development patterns progressively in Nationalism in the defence industry.

BARELY A formight goes by in Singapore these days without another verdict being pronounced in the MRT wars—the exhausting series of battles among hungry bidders for contracts to build the tiny country's vast S\$5bn Mass Rapid Transit system.

" It's really vicious," declares one banker. Says another: "The spies are swarming in the few weeks before a contract is

Information is the most precious commodity around: consortia seeking a piece of the action are even forbidden to talk to the Press without the MRT Corporation's permission and the tension among the participants is tangible.

Old hands in this sort of fight are deploying all available weapons: an offer of clever financing to get round international rules on interest rates, a sudden decision to throw in free spare parts for the next 10 trees a lecturinus more knock. years, a last-minute move knocking a \$0.25m off the tender price the day before a contract

The fruits of victory may be sweet—they can also be life-saving. Though many other countries have plans to build metro systems, few can afford one the size of Singapore's with the 67 km of rail and 49 stations. its 67 km of rail and 42 stations. For a successful bidder, one of the plum contracts can mean the difference between survival and shutdown, a fact which makes the battles all the more sharo.

The latest contract awarded -worth \$\$137.6m (f46m)-was for the supply of the signalling system, which included not only train-borne and trackside equipment but also the supply of platform screen doors which will open simultaneously with the train doors. Westinghouse Brake and Signal of the UK, part of Hawker Siddeley, edged out an Anglo-U.S. consortium led by General Railway Signal (GRS) in a battle described in more detail below. A
Although the two sides have
turned in very similar bids, it been

is now generally agreed that Westinghouse achieved its success because of its better price for Phase II of the MRT project. Yet tenders for this were not even sought originally: the MRT Corporation requested



# The fight for Singapore's underground

Chris Sherwell in Singapore describes the battle

for a major contract

them, and still retains the right most competitive bid, an indica-The next important contest

to be decided concerns the supply of escalators and environmental control equipment. But greatest interest focuses on the "Big One" — contract 151 — for the supply of 150 meterised early which of 150 motorised cars which make up the automatic trains, with options on a further 246. At a current estimate of U.S.\$1m per car, this contract could be worth close to \$400m.

A total of eight consortia have prequalified, none have been eliminated on technical grounds, and all eight submitted their voluminous bids by January 9 as required. A decision is due in the

second week of April, but already speculation is rife over

tion of how supposedly confidential face-to-face conversations between companies and the MRT Corporation can be massaged into rumours.

The British interest is in Metro-Cammell, which has even built a mock-up in Singapore. It has teamed up with Singapore Automotive Engineering, the government-owned corporation which has made its name overhauling tanks and military

Its competitors include a Japanese consortium of car builders led by Kawasaki Heavy Industries, a French group headed by Francorail and

tract, are reckoned to be desperately hungry for 151, with the French said to be best poised to offer the cheapest weakness of the franc. "We're fairly fast on our

has a valuable New York con-

feet." says one of the bidders for what is described as a "very, very competitive con-tract." His consortium was ready to negotiate against the others knowing that the MRT Corporation would probably be looking principally at price. But he acknowledged that closed tenders, unlike the open system in the U.S., could make the process fraught.

The tendering process itself teamed with two State-owned is complex and expensive. "We singapore corporations, and a have put 20 different offers on Canadian consortium involving Bombardier.

All but Bombardier, which such that the control of different currencies, and it has cost us about the way that it can help companies competing for civil con-

to enter the competition."
The fact that Singapore has asked for a fixed price up to 1990 puts an extra strain on the bidders. They have to juggle with different combinations of sub-contractors, trying to squeeze prices down and to offer the customer exactly the package he wants. Those that are chosen for the

film and five months work just

Singapore congestion: the problem and the solution.

final run-off, perhaps involving three short-listed companies, will be negotiating "on the run," going back to the subcontractors for an even better deal on prices. "Its a desperate business," remarks the leader of one of the teams, "we've put everything into it, including the kitchen sink."

tracts. Tenderers for civil con-tracts with 30 per cent local equity participation receive a preferential margin of 5 per cent. For the electrical and mechanical contracts the need to get up how fabrication facilito set up new fabrication facili-ties in Singapore could actually add prohibitively to the con-

tractor's tender price." Plainly what the bankers say in relation to a bid is quite as important as the technical juggling done by engineers and executives from the prospective contractors, all of whom can invariably do the job.

The bidding companies do their utmost to offer additional options, review specifications and produce improvements through discussions with the MRT Corporation's consultants. But it is the financing package which will help keep the costs low and, with luck, allow the contractors a profit. To judge by the way tender prices tome them are contractors. down as contractors pare costs to the bone, however, a profit is far from certain and survival

more important. For MRT Corporation this seems all to the good. From the very beginning it said clearly that recimical consideraciearly that recruit the provision of an attractive financial package-meaning the size of loans, interest rates and repayment periods—would be a "major consideration" in tender evaluation.
Inside the Corporation the

man in the command room for the MRT Wars is Mr Stuart Scott. His duties as project director include the management of consultants, design development and the construc-tion, installation and commis-sioning of the MRT system. He was deputy project director in the Hong Kong Mass Transit Railway Corporation.

The first contract was awarded in mid-September last year, and a ground-breaking cere-mony was held in October. Since then the pace has visibly quickened and, as vanquished bidders walk away dejectedly from the Singapore battle-ground, the victors are thrown

to work immediately.

If all goes according to plan
and in Singapore such
matters are actually expected However, having a local matters are actually expected partner does not help a bidder to run ahead of plan—the first

#### How Westinghouse Signal got revenge for Hong Kong rity was set up which invited

MR RON HARRISON, comhouse Signal, part of the Hawker Siddeley group, was told at 3.30 pm on January 9 that his company had won the first of the prized elec-trical and mechanical equipment contracts to be awarded by the Singapore Mass Rapid Transit Corporation.

The S\$137.6m (£46m) contract to supply signalling equipment and platform doors (the latter to be supplied by Westinghouse Brake) was the cumination of nearly 18 months hard work. Like all the best contests,

it was touch and go until the Brake and Signal (WBS) in that they had avenged the loss earlier of the final signalling contract on the Hong Kong MRT to a French consortium which was similar to the one they were bidding against in Singapore.

In May 1982, the Singapore Government gave the go-ahead for a mass rapid transit system. A provisional authoray was set up which invited companies worldwide to submit their proposals. Eight companies were told they had pre-qualified for the signalling equipment in January 1982—WBS, SEL (West Germany), AEG Telefunken/Siemens (West Germany) (West Germany), Wabco Westinghouse (U.S., and not linked to WBS), GRS (U.S.), a French consortium headed by Jeumont-Schneider, Mit-subishi / Nippon Signal (Japan), and C Itoh/Daido Signal (Japan).

WBS started preparing the ground in the suring of 1983. appointing a project manager to Singapore. The merchant bank, Schroder's, had already appointed financial sers to WBS on the of their knowledge of the Singapore market.

The companies, minus AEG which had dropped out, submitted their tenders on October 3. By the end of October, a short list of three—WBS, GRS and Jeumontup. Meetings between MRT Corporation officials, consultand the tenderers

By this time, WBS was fielding a full commercial and technical team under Harrison's directions. The three company teams diplo-matically stayed in different hotels.

Rumours were rife about the chances of each team, which was unaware officially at least of the prices subat least by its competitors— although seasoned negotiators like Harrison admit to "getting a feel on site for competitors' prices."

December was the critical month. By this time, Phase Two of the MRT had been included in the contract-and this was to prove probably the decisive factor in WBS's favour. Harrison reckons the British and Americans were neck and neck" in price at this stage, with the French closing up towards the middle of the month.

In the week ending December 16, the last meetings on technical matters took place. On December 20. the crucial chairmen's meeting brought all three teams in

with Mr Michael Fam, chairman of the MRT Corporation. Each team, with their financial advisers, were given 14 hours, the Americans first, next the British, and finally the French. They were told to come back with their final answers by Friday, December

Which tenderer dropped the price first remains one of those subtle mysteries of commercial negotiations, but certainly by that Friday, WBS had gone in with its price lowered (a margin allowing for this had almost certainly been built in to the orginal price) and an attractive financial package. Furextended to Phase II of the MRT, on which the Sagaporhave the option to

Final details of the financial package have still to be decided. Everybody is fairly tightlipped because they do not want the chances of Metro-Cammell, the only British company short-listed for the important cars con-

April, to be prejudiced by all the financial manipulations being laid bare. Mr Philip Robinson. Schroder's negotiator on the

WES team, says: "The MRT Corporation was looking clearly for a package which had an element of concession-ary finance which meant maximising the internationally agreed consensus terms."
The British Government was asked to permit capitalisa-tion of interest, but this would have been agreed only at higher interest rates which the MRT Corporation did not Schroder's ability to finance

Phase II of the project, a to permit a repayments startup date which amounts to fairly long-term credit for the Singaporeans, undoubtedly helped to clinch the contract for WBS. At the same time, WBS's technical credentials met the Singaporeans' requirements; and in the end the contract went to the company with the lowest evaluated price—as have the other conHarrison came home for Christmas. Between Christmas and the New Year, his pro-

ject manager rang with the news that the MRT Corporation had presented him with a 236-page Consolidated Decument which summarised all the communication between WBS, Schroder's and MRT since October. Each page had to be signed.

Harrison went back to Singapore on New Year's Eve, and ran through the massive document with efficials on January 3. The hoard of the MRT Corpora-tion met the next day, and, at least officially, there was no more contact between company and Com January 9. The final anno

that day came only a short while after WBS had won a contract to supply telecom munications equipment to New Zealand railways as part of a major electrification project—a fitting start to the new year.

Hazel Duffy

\* \*

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See Policy

#### **Men & Matters**

#### Battersea's rise

When Mrs Thatcher suggested during a little play-acting recently that all the economists in the government should be abolished she was, of course, joking.

But Nico Ladenis, aged 49, has shown how it is possible to escape from the dismal art and shine anew elsewhere. He has become the first British economist to win two Michelin rosettes as a chef and restaur-

Yesterday he was in his kitchen at Chez Nico in Battersea, South London, preparing "a little chicken and truffles" for lunch when the news was

University where he was a con-temporary of Roy Hattersley. Later he worked in the oil business, and by the mid-Sixties and international participation. He expects British interest to be shown in a range of activities from a possible Royal visit to arts festivals and sporting the food bug." He has been cooking professionally ever cooking professionally ever since.

Later ne worked in the oil international participation. He expects British interest to be shown in a range of activities from a possible Royal visit to arts festivals and sporting events.

With Australia's present-day population drawn from 160 different nationalities the British

accent. His Chez Nico gained a first Michelin rosette within months of opening four years ago. But to have reached the status of two rosettes is a remarkable achievement. For he is self-taught apart from three-weeks in one of the great three - rosette kitchens of France. "That was with Roger Verge of Mougins where I was

inspired and transformed."

Ladenis has also made a social contribution to south London by taking haute cuisine to Battersea. He encouraged the Delteil husband-and-wife team to open L'Arlequin restaurant two doors from his own. They

by Upper Brook Street, Mayfair, here Le Gavroche is guarding ists three

#### Australia day

Reid is in London this week to promote a programme into which his Government is pouring some £110m—the country's bicentenary celebrations in

1988.
It was a Londoner, Andrew Phillip, who led the first white settlers—sailors, convicts and marines—into Sydney Harbour on January 26, 1788. And the enduring relationship with Britain will be a major theme

Born in East Africa of French and Greek parents.
Ladenis read economics at Hull University where he was a contemporary of Roy Hattersley.

Tatar he worked in the oil

in the celebrations.

Reid, who is chairman of John Hardie Industries and vice-chairman of Qantas Airways, heads the bicentennial authority which is stimulating national and intermediately national and intermediately. and international participation

Ladenis is everyone's picture ferent nationalities, the British of a chef—plump, chuckling, link will not be the only one bearded and with an indefinable celebrated. Reid says: "We are celebrated. Reid says: "We are encouraging everyone, the Aborigines, the Greek community, the pigeon-fanciers, to organise their own events."

It will be an occasion, Reid adds, for Austraila to take stock of itself as a nation; and to leave in place some more permanent and useful memorials for first and preparations. for future generations. A new Parliament building will be one. But somewhere in the country, there will be some kind of festivity on all 366 days— "1989 is for washing up and paying the bills."

#### Dean's venture



a packet of frozen sprouts nlease "

entrepreneurs growing rich with the help of their funding. Gordon Dean, aged 46, managing director of Electra Risk Capital, may be starting a similar trend on this side of the Atlantic.

Dean is about to announce his resignation as managing director of Electra, where he will be succeded by Michael Walton, a director of Electra Investment Trust

Although he will remain on the board until the end of March Dean tells me that he is currently hatching plans to do something on his own in the venture capital field.

Apart from indicating that he sees great potential in persuad-ing British pension funds to

give him a small slice of their vast assets, his only complent at the moment is "watch this Formerly chief accountant of Charterhouse Japhet, Dean cut his teeth at Gresham Trust,

has enjoyed a high profile managing the two biggest funds to be set up under the Government's business start-up and business expansion schemes. He is also a leading light in the British Venture Capital Associa-

"I thought that I would never do anything quasi-entre-preneurial unless I did it now," he explains. "I think that there is a tremendous opportunity to exploit the increased awareness of venture capital."

#### High tide

Insurance underwriters, like farmers, tend to take a gloomy view of life. To do otherwise might prompt customers to ask reductions in premiums.

But the mood yesterday at the Institute of London Underwriters, which represents more than 100 insurance companies operating in the marine market, bordered on the jubilant.

True, the Institute was celebrating its centenary. But it was also admitting that busi-

ness may not be so bad after

all. "There is a growing sense of realism in the market place," said the annual report. And after a period of rate-cutting, insurance premiums were The Institute's members work hand in glove with Lloyd's underwriters—and some of their evident delight yesterday can be traced to the departure from the Lloyd's market of lan

Posgate, former star under-writer of the Alexander Howden group. Posgate insured the largest marine account in the world but had a habit of rocking the boat in the London market by undercutting rates. "Obviously things have improved since he left," an Institute man confided. "He nearly spoiled it for the rest of

Observer

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#### TRADE AND INDUSTRY DEPARTMENT

# Tebbit's new way with widgets

By John Lloyd, Industrial Editor

THE GAUNT figure of Mr Norman Tebbit is now a little removed from the public glare. As Trade and Industry Secretary, he is more important than as Employment Secretary: but press and public pay greater attention to efforts to under-mine militant trade unionism than to attempts to underpin ailing industry-

The demon king image is part of history. but not of the pre-sent: Mr Tebbit's sayings, such as "on your bike" (which he did not say) and his lament that he could find no-one to mend his garden gate (which he did) are no longer broadcast. Yet he remains an innovator and a radical; and he has epproached his new task — he succeeded Mr Cecil Parkinson, his closest political friend, in October — with characteristic

Among his first cares has been his sprawling department, pasted together after the election from the formerly independent trade and industry departments, with (uniquely outside the Treasury) two permanent secretaries, she ministers and a remit covering all of what might be termed UK Limited.

Mr Tebbit's departmental rearrangement is thus of some importance to its clients and customers, both of whom were much in his mind when he spent Christmas pondering over his changes. Besides making his department more customer-oriented, he has also sought to produce a new model entity which can be an example to those it serves as well as a mileh cow (it will be less of that); and he has tried to cast it in a mould which will last. and not be easily broken by the next Government with a plan for instant success in its mani-

The first thing which had struck him as a newcomer, was that both trade and industry. and especially the latter, "had grown in response to lobbying as much as anything else." They were thus tather inward look-ing and self enclosed; his most fundamental change is to break down the demarcation between trade and industry, and let the scope of the industrial divisions unhampered by national

or as the Maria

San Jane 1

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1:1

"Cecil had started the inte-gration—what I've tried to do

المتحدد فسنفو كالأرث ومراورون

Norman Tebbit now has the chance, in his new department to boost Britain's sunrise industries and promote new high-tech schemes aimed at

technology diffusion



is put the prime responsibility for trying to make the department work within the sponsoring divisions (sitch as motors, telecommunications or engineering). In other words, they not sponsor that industry, they look to its exports, to its needs in terms of regulation, of con-sumer protection—in every respect the prime responsibility is

in the divisions." This is complemented by what he calls "overlays": that is, the old trade side will supply common services-he instances experts on Japan—on which the divisions will all draw. The regulatory and consumer protection "overlays" will remain expressed in such bodies as the Monopolies and Mergers Com-mission and the Office of Fair Trading, and in the ministerial attracture: Mr Alex Fletcher remains the consumers' friend and their voice within the ment in achieving it." department

internal reporting structure and monitoring mechanisms, so that "if we say we are going auditing and so on, then I don't to launch British Telecom in think we'd be taken seriously October, then there's a system if people could turn round and for ensuring that it goes clicksay to us that we have lax and
click-click along the line until flabby management."
we get to October and it Third, innovation and the
happens, as opposed to getting diffusion of new technology will

to October and finding we didn't do something in May. This is somewhat different from the celebrated "Minis" system installed in the equally gargantuan Environment De-partment by Mr Michael Heseltine when he commanded it (a slight expression of pain flickers over Mr Tebbit's face

at the comparison). "I'm not anxious to be the apocryphal French education minister who wants to know child in France will be reading page 14 of a textbook on whatever. All I'm concerned with is that what we have decided will be done is done and that if there are deviations from that then we can see they are there early on and we can decide whether we've got an unrealisable objective or if we've got a problem of manage-

These changes are me Secondly, Mr Tebbit is be exemplary as well as internamious to make his empire a ally efficient. "We've got to well-managed one. He is in the make damn sure we're not open midst of sharpening up his to criticism. If we say to people that they might profit from better accountancy, better say to us that we have lax and flabby management."

Third, innovation and the

be at the heart of the department's work—this being more a matter of increased emphasis than a change of tack, since the DTI is the other main economic department beside the artment's work has been moving further and further up off as a Government service the technology ladder over the past decade. However, it will also mean simplifying schemes and should mean weeding out the sectorally based achemes in favour of the new, high-tech schemes aimed at technology

"There's a process of closing down schemes as much as opening them up. There ought to be a moment when we can say— well, if anyone doesn't now know that they need to be using machines then perhaps there's nothing we can do.

"In relative terms one can expect more schemes in the high tech area. I think it would be more likely we would put our effort into that approach than into sectoral schemes. I it's unlikely that we produce a sectoral scheme for the widget industry -rather that we hope the widget makers will be applying the best practices, not only technical but managerial."

Mr Tebbit will continue his British industry that there is no sector from which it should evacuate because it is old-fashioned, or made by cheaper labour elsewhere. Back in his phrasemaking Employment days, he coined an unjustly obscure mot to the effect that "The sunrise industries are those in which the boss is in the control of the office before it gets light."

That implies, he says, "that there's going to be a market for clothes and furniture and carpets and all the rest of it inevitably—and the high tech industries are not about making high tech products, they're about making products which at the end of the day the consumer buys, and about making them better."

The high ambitions which says the for himself are modestly deprecated as stop short of a revolution: they still depend, as he stresses, on newspaper tattle: he is articulate on the high ambitions he has for his new charge.

Essentially, he sees the DTI's strength — and his, among Cabinet colleagues—as deriving from its position as the confact point between Government and industry (subsuming trade) with an unrivalled and intimate

Treasury. The Treasury started department, so to speak, raising cash, and came into economic from that angle. Equally this department started off as sponsoring department for industries and has come into economics from that, different, angle. I think both are needed

in government."
This knowledge of what goes on down below does not, of course, imply control.: Mr Tebbit is a hands-off man in a hands-off Government, who laughs at the thought of guid-ing Lord Weinstock, managing of endeavour (previous incumbents have rubbed their hands at the thought). His job, and that of his ministers, is the promotion of enlightenment in industry at home and the encouragement of free trade and British exports abroad. He has had two major trips

since coming to the department—to India and Saudi Arabia. In this context, he sees himself as a team player with industrialists, accommodating the wishes of overseas governments, especially in developing countries, to put commercial deals on a government-to-government footing.

He has surprised some, who see him as an instinctive nationalist, by his espousal of free trade : " Governments need a great deal of mutual support they are to resist protec tionism. We must say to people who are worried about it all that our experience is that pro-tectionism does not benefit you - its an adverse factor in the long run."

He toyed with the idea renaming his monolith the Department of Commerce, but could not afford to change the notepaper - it savours of dless expense for a very small gain."

putting the right people in the right places and ultimately on the vigour of British industry itself. For those for whom the Government is the DTI, however, the internal re-ordering should produce manifest differences — or the Secretary of State will wish to know why.

British Telecom's future

## Why BT must have the freedom to compete

By Sir George Jefferson

THE FT editorial of January 18 and the recent Lords Second Reading debate on the privatisation of British Telecom, raised some interesting points about the nature of the plc Parliament is being asked to

Underlying much of this comment is the assumption that the basic task of transmitting messages—the job of the telephone network as we have known it—must inherently always be profitable. However, telecommunications experts now believe that while the volume of communication will rise, the impact of modern technology (which enables very large volumes of traffic to be carried at low costs) coupled with competition means that margins are likely to fall substantially with time.

In the UK, where the Government has licensed an alternative public network operator—the only country in the world, apart from the U.S., to do so-BT's prices on the currently profit able trunk services will inevit ably be driven down. Though Mercury's impact may initially be small in volume and route presence, it will have a signifi-cant effect on the market as a whole. For example, it is diffi-cult to imagine customers on a trunk route operated only by BT accepting for long a charge significantly higher than that on another similar route on which Mercury is competing.

That is a case of market forces at work, and must be very much the kind of effect the Government had in mind when embarking on its competition policy. It is not necessary to replicate BT in size to expose it to genuine competitive forces. While the development of Mercury may seem slow, it would have been unrealistic to expect otherwise, because of the investment business. Other decisions - on cable TV (effectively local communications networks), cellular radio, and value-added services — are

going to amount to a very sig-nificant spread of competition. The other major impact of technology, with the conver-gence of computing and commutechnology, with the conver-gence of computing and commu-nications and the creation of a national competition also means comprehensive

handling society, is to make it home as well as abroad, since conceptually very difficult to define a telecommunications network in the terms we have previously known. It is in " adding value" to the basic task of transmitting messages and information that the scope for future growth of profitability lies. To prevent BT from reacting to these trends and the new mar-kets they are opening up would drive it into the position of de-fending a network of declining

scope and profitability.

BT's task must be to stimulate the growth of a domestic Information Technology (IT) industry. We must facilitate access to the network on fair terms, and encourage the wide development of value added activities by companies both large and small. Here, critics of the Government's approach to

#### The liberalised UK market will be more open to attack

fair competition do less than justice to the provisions of the draft BT licence. A close study that BT will not be able to use its dominant position as a network provider to compete un-

fairly,
Indeed, if BT's principal suppliers were to be asked to operate under provisions as onerous as those of our draft licence, I suspect that there would be cries of "foul!"

While there is real scope for entrepreneurial development of information technology services, the UK will not gain a significant share of world markets through small companies alone. The convergence of computing and telecommunications, and the increasingly integrated nature of these services, mean that large sectors of the world markets will only be entered by those with considerable financial and technological

While the ability of BT to compete internationally has yet to be proven, it is clearly one of the very few UK companies with the necessary expertise information- meeting the multinationals at Telecom.

a liberalised UK market will be increasingly open to attack.
Equally, if BT is to be allowed to supply customers with the latest communications, it cannot be excluded from the supply of apparatus. Increas-ingly, the development of intelligent apparatus is embracing network activities. BT must be able to offer UK firms the same kind of sophisticated communications packages as are available to their overseas competi-

The UK would be doing itself a grave disservice if BT were not to be free to compete in these new markets. Big busi-nesses and small businesses should live together. Small IT businesses need a majo domestic force, just as our telecommunications manufacturing industry can be greatly helped by a strong domestic base, as
Lord Weinstock has pointed
out. To exclude BT from the
markets being opened up by new technology would call in question its long-term ability to provide this strong domestic base, leaving the UK companies exposed to attack from the genuinely big international companies. Even BT, large as it may seem, is only of similar size to each of the seven companies created by the divestiture of AT&T in the U.S.

British Telecom, if allowed to develop dynamically, will not only be able itself to compete in world markets; just as importantly, it will help to create a more robust environment in which the ability of our equipment suppliers to compete internationally will be greatly enhanced.

The success of BT's privati-sation will depend on the balance of freedom and regulation. The voluminous draft licence, produced after two years of consultation with an array of interested parties—and an unprecedented amount of parliamentary debate—seems to get that balance about right. In the last resort, the pressures of all the interested parties including BT-have to be set against the need to ensure that the UK has a sound telecommunications infrastructure for the future.

#### Letters to the Editor

#### How to break the deadlock on Cyprus

From Mr C. Economides.

Sir,—Referring to your leading article (January 20) on 'What Cyprus wants," I agree that a way should urgenity be put to separate refrain from soliciting recognition by other states of his socialed "Turkish Republic of Northern Cyprus," as long as the process of intercommunal to bought to reconcile both sides' one hand, President Kyprianou's talks would continue. From Mr C. Economides. ing article (January 20) on "What Cyprus wants," I agree that a way should urgently be sought to reconcile both sides' "national pride" and to reverse their hitherto-" sterile policy." It seems an encouraging development that both President Should withdraw his UDI, as characteristicatory proposals. These proposals, however, ought to be discussed at the table of the intercommunal talks under the auspices of the UN Secretary matically be disbanded after such a splution has been found. Since, however, the prerequisite auspices of the UN Secretary-General with a view to narrowsuch a solution has been found.

Since, however, the prerequisite
of the two sides. That would to finding a solution is the
enable the Secretary-General to
play the role of an "advisory munal talks, the present deadarbitrator" by preparing his
intended overall "packageSecretary-General and the Govdeal" scheme for a compromise ernments supporting his initia-solution of the problem of tive would prevall upon both Research, Cyprus which to my mind should parties to resume talks after P.O. Box 1632, Nicosia, Cyprus-

Assisted areas and regional policy British Clothing Industry Sir I am grateful to Rowens Mills (January 19) for highlight-

ing a serious flaw in present

be detrimental to the overall efficiency of an industry. Firms outside assisted areas risk being doubly disadvantaged by being

Regional policy.

Regional policy has now a ineligible to receive investment and by having their own operapolicy, the former being to tion undermined by misguided create jobs in areas of high buit well-intentioned regional

unemployment and the latter investment grants. The creation to improve the competitivity of of jobs in an assisted area could industry generally in whatever cause unemployment elsewhere.

Norman Sussman. 6-9, Upper St Martin's Lane,

that Government provides for investment must be evenhanded.

#### The lesson for local electors

The lesson for local electors

From Mr-T. Burgess

Sir.—The correspondence in your columns about "rate-capping" his definohirated how easy it is to undermine a free and plural society. It happens when too many people unthinkingly believe that if something is amiss "the Government should do something" or "there ought to be a law against it."

This is especially disturbing when untered by otherwise responsible people, who manage large concarns or have founded their own businesses.

The more a Government responds to these pleas, the nearer we get to the centralised bureaucratic state in which few of representation of business in relation to rates should be compared with the non-representation of business in relation to rates in the compared with the non-representation of business in representation of business in the compared with the non-representation of business in the compared with the compa

cratic state in which few of your correspondents actually want to live.

On rate-capping, the Government has shown it is muddled the point about local representation in the rating decision of Lambeth Council recently has come, not through Government action, but through the point about local representation; rates are to meet expenditure which is mainly for the benefit of local individuals, not be compared.

Rates and corporation tax or the compared the compared to the point about local representation; the point about local representation to the point about local representation; the point about local representation to the point about local representation; the point about local representation to the point about local representation; the point about local representation to the point about local representation; the point about local representation to the point about local representation; the point about local representation to the point about local representation; the point about local representation to the point about local representation Government action, but through a campaign by ratepayers. In the such a campaign business is not powerless. Chambers of commerce already influence councils. And if the employees of corporation tax) and VAT should not be compared. Rates are an addition to business costs. Corporation tax is against the rate-capping plans. Add if the employees of corporation tax) and VAT House of Commons, SW1.

representation of business in relation to corporation tax or VAT. I accept that I failed to identify the reason why I raised

Chris Economides

Economides Centre for

Economic and Political

region it is situated.

The danger is that a concentration on regional policy will mercially viable and to compete internationally and such ald

is not a business cost but is assessed on the value of sales or services (to which VAT is

then added) and is paid by the final individual customer. Customers have a vote in the election of politicians who control the level of VAT. Rates can bankrupt a company, whereas corporation tax and VAT should not The Coach House, Upper Edshing, Godalming, Surrey.

From Mr Maurice Macmillan, Conservative MP for Surrey

Sir.-The chairman of Surrey County Council (January 20) asks how many Surrey rate-payers realise that " if the proposed rate-capping legislation goes through . . . Surrey, as well as many other prudent authorities, will have to foot the bill!"

May I assure our mutual electorate that his point was at

#### Enterprise allowance

From the Head of Special

Manpower Services Commissio Sir,—Though I appreciate Mr Powell's concern (January 18) that the enterprise allowance scheme should help to create successful businesses, I cannot If the resumed talks concentrate, as they should, on what agree that viability testing and joins rather than what separates the two communities and more compulsory counselling are the way to achieve this. There is always a risk in starting a new business and it is notoriously interest to make Cyprus a peace-ful and prosperous island, in the prosperity of which all its inhabitants should participate, difficult to pick winners. Never-theless, the scheme does include a number of saleguards to en then there would be much hope that the long-drawn-out problem sure that applicants realise the importance of the step they are of Cyprus would soon be settled and the relations between Greece and Turkey would be normalised. taking. For instance, part of the application process is attendance at an information session at which the scheme is explained and advice given by small firms service counsellors. Those attending are left in no doubt about the risks involved should they decide to go ahead.

There is also a condition that applicants must be prepared to invest some of their own money in their business in order to qualify for the scheme. This is designed to test commitment and to ensure that resources are available to cope with the diffi-cult early stages of the new

Our experience, in both the national scheme and in the earlier pilot schemes, suggests that those joining have been appraising their plans very sen-sibly, and we are most encouraged at the scheme's suc-cess in helping to realise the ess potential which clearly exists among those who are unemployed. J. B. Surr.

MSC Employment Division, Room No W808, Moorfoot, Sheffield.

#### Phone lines to the U.S. From Mr D. Buckman

Sir, — I wonder how much dollar-earning potential is being sacrificed by the non-availability of telephone lines to the U.S. I'd be interested to hear if other readers have lately found their non-availability as frustrat-

Between about 2 pm and 6 pm

last week this is the number of diallings necessary to get a line: nesday 33, Thursday 40, and Friday 48. Not much fun when it requires the dialling of about a dozen digits a time and when one is pushing a deadline. Can nothing be done to improve on this, I wonder?

Flat G, 8, Compton Road,

We are pleased to announce that

#### **Masanori Ito**

has been elected

Vice-Chairman, The Nomura Securities Co., Ltd.

#### **Nobuo Saito**

Managing Director, The Nomura Securities Co., Ltd. has assumed responsibility for the Overseas Division

and that

#### Hidetaka Shiozaki

has been elected

Director, The Nomura Securities Co., Ltd. Mr. Shiozaki, residing in Hong Kong, will continue as President and Managing Director of Nomura International (Hong Kong) Ltd.

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Tokyo, Japan

# FINANCIAL TIMES

Wednesday January 25 1984



## **Operating** costs cut deeply into Apple profits

By Louise Kehoe in San Francisco

APPLE COMPUTER yesterday reported an 87 per cent drop in operation income in the fourth quarter of 1983 although it sold more personal computers in December than in any revious month in its history. The announcement came as Ap-

ple launched its new Macintosh computer with a blaze of publicity at its annual meeting.

The company said operating income dropped from \$41.1m to \$5.5m. Settlement of Apple's copyright suit against Franklin Computer brought Apple a pre-tax gain of \$2.5m. Taking that and interest income into account. Apple's net income dropped 75 per cent from \$23.5m to \$5.8m. Sales, however, jumped by 48 per cent to \$316m.

Apple attributed its plunging profits to increased development and marketing costs and price cuts on the Apple II personal computer. which accounts for an estimated 85 per cent of Apple's revenue. Apple has spent heavily on the design, manufacture and marketing of the

The success of Macintosh is critical for Apple. The company badly needs a new revenue generator as profits from its seven-year-old Apple II fade. IBM's announcement yesterday that it had begun volume shipments of the IBM PCjr home computer, which will compete directly with the Apple II, put further pressure upon Apple to reduce its price and margin on the Apple II. As competition between Apple

and IBM mounts, both companies appear to be waging a publicity battle. Apple plans to spend an un-precedented \$50m to \$60m on publicity for Macintosh, including an advertising budget of over \$30m. IBM is expected to spend \$40m on PCjr advertisements.

Apple is reported to have paid \$800,000 for one 60-second television commercial spot during the U.S. Super Bowl football champion-

The crucial Macintosh, Page 7

## Texaco bid agreed by **Getty Oil**

By Terry Dodsworth in New York

TEXACO, the U.S. oil group, has cleared the principal remaining hurdle to its takeover of Getty Oil after the agreement of dissenting members in the Getty family to an increased offer for the company. In a surprise move after hours of

legal argument, Texaco has lifted its bid by \$3 a share to \$128 a share, valuing Getty at \$10.1bn - the highest takeover price ever in the U.S. The transaction still faces legal

action from Pennzoil, the much smaller U.S. energy company that started the bidding race for Getty, as well as the potentially more serious investigation by the anti-trust authorities. Analysts expect Texaco to clear those hurdles.

Texaco's decision to sweeten its \$240m. It follows legal action brought by some members of the Getty family, who claimed that a revised bid by Pennzoil would have been more suitable for certain beneficiaries in the Getty trust. They contended that the Texaco

deal gave unfairly advantageous treatment to members of the family who currently receive only divi-dends from the trust at the expense of beneficiaries who will only receive a share of the assets when the trust is dividend.

A state supreme court judge in California last week prevented the Getty trust from finalising its agreement with Texaco until these issues had been aired. After the court hearings in Los Angeles, however, all members of the trust have agreed to the new Texaco offer.

World Weather

## **Hungary and EEC to** negotiate trade pact

HUNGARY IS expected to start negotiations shortly with the EEC on a trade agreement which would represent a valuable prize in the development of the Community's rela- Hungary's approaches were tions with Comecon countries. After more than a year of dis-

with the Hungarian authorities, the European Commission has been eral Agreement on Tariffs and given the go-ahead by EEC foreign Trade (Gatt). ministers to draw up a proposed negotiating mandate once Budapest sweep away the quantitative re-has confirmed that it wishes to strictions the EEC imposes on press ahead.

Hungary made the first overtures more than a year ago and its posi-tion still remains extremely deli-with some small tariff reductions. seek a comprehensive bloc-to-bloc of the negotiating position the Comtrade deal with the EEC while the mission will ask foreign ministers Community has stressed its prefer- to endorse. There is also likely to be ence for separate agreements with some concession on imported Hunindividual Comecon countries.

Until now only Romania has responded to the Community's invitation - confirmation of its maverick status within the Eastern bloc. prompted partly by its trade deficit with the EEC - some £250m in 1982 - and a desire to exploit the advantages of its membership of the Gen-

In particular, Budapest wants to many of its goods. These, it argues, are frowned upon by Gatt Moves in this direction, coupled are expected to be the main feature

This is a great deal less than the agricultural gains which Hungary has been hoping to make. But with EEC farming in a state of chronic oversupply, there is little chance of the Commission's recommending better access for Hungarian beel and other products.

The prospect of trade negotiations with the EEC comes at a time when Hungary is becoming the "acceptable face of communism" for several Western governments.

Anxious to demonstrate their desire for a dialogue with the East, but not yet ready to travel to Mos-cow, senior politicians from Italy, Belgium and Denmark have recently had talks in Budapest with Hun-garian leaders. Mrs Margaret Thatcher, Britain's Prime Minister,

## Uganda and Kenya 'will need nearly \$1bn in loan pledges'

BY PAUL BETTS IN PARIS AND QUENTIN PEEL IN LONDON

Sibn between them in aid and loan change requirement. commitments for 1984, and the

day and next week, under the chair- 1983. manship of the World Bank.

The estimated needs of the two foreign exchange content of specific

covery programme. The pro-gramme has been revised and ex-in 1980-81 to 30 per cent last year.

The Western aid meeting on Kencession and slower than expected domestic recovery.

Uganda is asking for some \$199m in project finance to complete the

in subsequent years.

The World Bank, however, estineeded this year, and \$444m in multilateral loan pledges some about \$4.6bn.

UGANDA and Kenya need nearly 1985, to cover the total foreign ex- \$530m this year and another \$530m Uganda's current account deficit

same in 1985, to finance their bal- last year is expected to total \$260m ance of payments deficits, according to World Bank calculations.

These figures are based on the second These figures are based on the as-These new loan pledges will be at the centre of two meetings of Western aid donors and multilateral organisations to be held in Paris to- 2.3m bags this year - the same as in

In spite of Uganda's continuing difficulties, compounded by guerrilcountries are based not only on the la activity in the key coffee growing area around Kampala, donors will aid projects, but also on the financ- be told that gross domestic product ing gap of their respective balance rose on average by 5 per cent a year of payments.

over the past three years and that
The first meeting, starting today,
export volumes rose by 45 per cent will review Uganda's economic re- from 1980 to 1983. In addition infla-

cause of the impact of the world re- ya will take place in Paris next week on January 31 and February 1. The meeting will review Kenya's new five-year economic plan, largely designed to promote a recovery 1983-85 programme, and an addi- in investment and development tional \$729m for projects continuing spending in the East African coun-

next year. This compares with annual loan commitments of \$470m in 1982 and 1983,

Kenya's total debts, which rose sharply from \$1bn in 1978 to \$2.5bn at the end of 1982, are estimated to have reached \$2.6bn-\$2.7bn at the end of last year. Although the new Kenyan plan

envisages commercial borrowing of

only \$250m for the whole five-year period, Western experts regard this estimate to be on the low side. A more realistic figure is regarded to be \$200m to \$250m a year in new commercial borrowings dur-

ing the next two years. The same experts expect the country's debt service ratio to rise from 25 per cent last year to about 28 per cent in Current account deficits are expected to average \$550m a year in

1984 and in 1985, while the deficit for 1983 is expected to be lower than earlier estimates of about

The country's gross capital retry. quirements during the plan's five-Western officials estimate Kenya year period to finance projected

#### **UK** budget unlikely bid for to alter tax burden

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

is likely to be neutral, at best, in its pact however neutral his overall impact on the level of public-sector borrowing, Mr Nigel Lawson, Chan-cellor of the Exchequer, told Conservative MPs last night.

At a private meeting of the Conservative backbench Industry and Trade Committee, Mr Lawson indicated that while there would be little overall change in the tax burden there might be a series of measures in the budget which would offset each other.

His comments came just over a fortnight before the Cabinet has its traditional pre-budget discussion of Britain's economic outlook.

Mr Lawson apparently said that the overall impact of the budget would probably have to be neutral at best. Therefore, "what I am able to give away with one hand I will have to take back with another."

He apparently indicated that there was no question of a cut in the basic rate of income tax but he underlined his desire, if at all possible, to increase the bottom threshold of income tax to help the low-paid. His remarks confirm expectations in the City of London that the budget will not alter the overall di-

rection of fiscal policy. Treasury officials, however, are known to be working on a series of tax options to help investment and savings. Moreover, close observers U.S. oil company results, Page 13 of Mr Lawson believe he will try to

THE BRITISH budget on March 13 make the maximum political impackage. They therefore expect that he will include measures to catch the eye even though they have relatively small initial cost in tax reve-

> Mr Lawson gave the MPs the impression that he was favourably disposed to suggestions that his budget should set the medium-term context for tax and expenditure, in particular that he should set out his aims in terms of the balance between personal and corporate taxa-

A number of the MPs present argued that any relief should be given. mainly to industry in the form of a further cut, or the abolition of, the employers' National Insurance surcharge together with proposals to increase public-sector capital in-

A minority of the MPs present apparently urged a concentration on the personal sector and one or two members, who share the criticisms of the Government's economic record recently voiced by the Institute of Directors, apparently argued for a cut in the basic rate. These MPs were worried about Mrs Margaret Thatcher's equivocation over the Government's ability to re-duce the tax burden to below its 1979 level by the end of this perlia-

Continued from Page 1

France had already been liberal-

## Kosmos in Rosshavet

By Fay Gjester in Oslo

KOSMOS, the Norwegian shipping group which also has industrial and offshore interests, is seeking to take over a Norwegian oil rig-own-ing company, Rosshavet. The deal would be worth at least NKr 82m (\$10.4m).

Kosmos shares were suspender on the Oslo Stock Exchange last Thursday when the merger talks were first reported. The shares showed a slight price increase when trading was again permitted, on Monday, indicating that the market

was in favour of a merger.
The takeover would enable Kosmos to reorganise its offshore-related activities around the nucleus of the smaller firm, which holds a 32.25 per cent stake in a drilling rig on long-term charter to Statoil.

Kosmos itself has a 51.5 per cent stake in a new accommodation platform, on long-term charter to Mobil. and a 50 per cent stake in a standby ship, Jagima, which has been char-tered by Esso for service in Nor-way's Odin field.

Negotiations between Kosmos and Rosshavet are continuing. Neither side will disclose the terms being discussed, but Oslo sources suggest Rosshavet shareholders will be offered a share exchange. Rosshavet's 294,000 shares, par 1979 level by the end of this parliament, which runs to mid-1988 at the NKr 280 when they were suspended

change its monetary and budgetary policy to halt the dollar's rise. He al-

## for U.S. whisky distributor DISTILLERS (DCL), the leading

**Distillers** 

in bid talks

supplier of Scotch whisky, is ne-gotiating to buy Somerset Importers, its exclusive distribu-tor of Johnnie Walker Red and Black Label whiskies and Tanqueray Gin in the U.S.

Somerset was acquired by Esmark, a Chicago-based conglom-erate, when it paid \$973m for Norton Simon, the Max Pactor and Avis vehicle rental group, in July last year.

No price for the sale has been disclosed but Wood Mackenzie, the Edinburgh stock broking firm which pays particular atten tion to the international spirits industry, believes that Somer-set's value to Esmark would be at least \$300m.

Somerset produced operating profit of \$44.6m in the year to June 1982 which, the stockbroking firm calculates, was worth al-most 30 per cent of Norton Si-mon's profits in the year before acquisition. Between August and October last year Somerset made \$11.5m on sales of \$65.4m. Net assets are \$114m.

The U.S. distributor has been handling Johnnie Walker whisky since 1933, and the trade attributes Somerset's close liaison with DCL and its detailed knowledge of the U.S. alcoholic beverage markets for the success in keeping both the Red and Black Label brands near the top of their particular sectors. Red Label, the standard brand, ranks number four in the U.S. after DCL's Dewars brand, J&B Rare, owned by Grand Metropolitan,

and Cutty Sark.

In the U.S. premium whisky market, Black Label is ranked number two after Seagram's Chivas Regal.

The relationship between Charles Tanqueray, DCL's gin subsidiary, and Somerset goes back 12 years and the brand is rated second in the U.S. market for imported London gins after

Other brands handled by Somerset, based in New York, include DCL's Hine cognac and Pimms ranges, Appleton Rum, and a range of locally produced spirits which include Cabin Still and Regel Yell bourbons.
However, Johnnie Walker and

Tanqueray are understood to ac-

count for the chief part of Som-erset's profits, and the negotia-tions, which would mark the first occasion in which a major U.S. spirits distributor has been con-trolled by a British distiller, are seen as an increased involvement in rather than a diversification away from DCL's principal brands and geographic markets. Red Label has recently been relaunched, alter a six-year absence, in the UK market as DCL has attempted to arrest a decline in domestic share from 50 per cent in 1971 to just under 20 per cent last year. Other leading brands in DCL's whisky portfolio include Haig and White Horse and, in the cheaper categories, the recently introduced Clay-

#### Steel import limit sought by Bethlehem

Continued from Page 1

by the reduction in EEC and Japse steel exports to the U.S. More worrying to the U.S., owever, is the fact that Third World producers have been plac-ing the domestic pricing structure under pressure and so tending to undermine the U.S. industry's efforts to increase profits by curbing costs and cutting capaci-

Late last year, several leading steel manufacturers, led by U.S.
Steel, filed anti-dumping and
countervailing duty cases against
several Third World exporters.

The steel industry is also supporting legislation introduced in-to the Congress, which also calls for a 15 per cent limit to the market share of imports. Imports have been accounting

for a fifth of the market. The looming battle over the steel

tion into acting to carb Third World imports.

## THE LEX COLUMN

# The billion-dollar shell company

A quoted minority in a subsidiary company is, from a parent's view-point, an irksome constraint on financial and commercial freedom and it normally comes as little surprise when the parent opts to buy out its equity partners.

Yet in the rarefied world inhabited by international oil companies such mopping-up operations can come expensive, and it is fair to assume Royal Dutch/Shell has been motivated by more than a concern for tidiness in its offer to purchase the 30 per cent minority in Shell Oil for \$5.2bn.

Shell has evidently timed and pitched its offer with considerable

The company has tried to deflect accusations that it is operating as an insider by bringing out the offer immediately after reporting a signi-ficant Shell Oil find in the Beaufort Sea. The \$55 per share offer represents a premium of 25 per cent over Monday night's closing price, roughly in line with the premium offered by Pennzoil in its partial tender offer for Getty Oil.

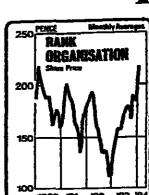
Moreover, the valuation placed by the parent on Shell Oil's assets seems not too far distant from the current going price. After stripping out the refining and marketing operations at an average earnings multiple, Shell seems to be offering about \$4 for each barrel of oil in the Yet, in order to capture the whole

of a minority, parent companies generally have to offer a premium over what would be expected in a normal takeover, and the impact of this deal on Shell's earnings will provide Wall Street with ammunition with which to try to push the Assuming Shell Oil earnings of \$1.8bn this year, the parent would

cover its financing costs with per-haps £30m to spare before allowing for any additional tax benefit from the dollar debt.

Rank Organisation The Rank Organisation's new top

management has not been in place long enough to make much of an impact on the non-Xerox interests but at least it has broken with the time-hopoured tradition of dumb-



threats as by an improving perfor-

Profits have pushed ahead from £62m to £69.3m pre-tax despite increased losses - of £6.4m - in Australia and a £5m reduction in the Rank Xerox contribution. Rank can thank a more buoyant trading climate for much of the improvement in profits elsewhere but, for those who doubt whether the company will ever change its spots, the encouraging items are a £9m drop in interest charges and a £25.4m below-the-line write-off. Average borrowings fell by £40m during the year and several of the

disposals and closures reflected in the extraordinary charge will throw up cash this year. So far, however, Rank has been pruning only the most obviously rotten branches. The market has yet to see much evidence of any new strategic direction. Profits of about £95m pre-tax look on the cards this year and the yield is a respectable 6.7 per cent, so most shareholders will presumably keep their patience for a while yet.

#### Distillers

The Distillers Company's plan to buy one of its major U.S. distributors marks a second strategic move within the space of four months following up a reorganisation of the group's UK marketing operations now under way - so the evidence begins to mount of life in the DCL

More than one of its time-honoured distributor relationships have begun to look a little curious mixture of cash and shares, with minary statement. Yesterday the example, is distributed in Canada in its coffers now than the £17m at share price jumped 13p to 218p by the subsidiary of a leading the last balance-sheet date. As to competitor. The prospective purties of £55m looks motivated as much by lingering bid chase of Somerset Importers from likely enough

Esmark looks bappily timed and will give DCL a much heavier exposure to Johanie Walker, one of DCL's most consistently successful hrands with aggressive advertising now budgeted at C50m a year, it will also mean, though, a great-er commitment for DCL to the U.S. High

fts

spirits market where volume trends still appear to be heading remorselessly downwards in every sector after a disappointing Christmas. The group has just had to hire new marketing staff as part of its re-shaping in the UK, and there is absolutely no reason to suppose that DCL's ownership will add anything to Somerset's existing U.S. marketing muscle.
This will increase the risks in-

volved in DCL's traditional distribution strategy. The immediate compensation ought to be additional trading profits in the region of £30m, which is roughly what Somerset contributed to Norton Simon's operating profits before the Esmark deal. As it happens, this looks about the size of the hole which DCL is now expecting in its 1983-84 pre-tax profits as a result of the collapse of its Third World markets. The deal will make more difference to DCL's balance sheet, which has emerged from a five-year stagnation of the group's business with a net cash position. The shares closed up 9p at 202p, not far short of the peak reached after the heavy buying earlier this month.

#### Pleasurama/AL

Pleasurama's decision to bid for Associated Leisure shows a realis-tic response to the lack of casinos on the market. But it has plainly not decided to go for bricks and mortar instead; for Associated, like Pleasurama itself, is more noted for strength of cash flow than for asset backing.

This could be a problem; both

companies are sturdy contributors to the Revenue, with little capital expenditure to fend off the taxman. But then, Associated has four hotels, and slender experience of the market, while Pleasurama has on its board an ex-director of Grand Met. Perhaps it will come to bricks and mortar after all.

The terms look certain to be a

SPECULATORS ONLY

#### "I turned £1500 into £2,498 in only 28 days by investing in Zinc, thanks to LHW... D. Wilson Esq., Co. Durham

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Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Domer, Frankfurt/Main, F. Berkew, RAF, McClean, M.C. Gorman, D.E.P. Palmer, London, as members of the Board of Directors. Printer: Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main. © The Financial Times Ltd., 1984.

In sharp contrast to his fierce atso suggested imposing penalties to quota hill in Congress is widely seen as a critical test of the tack against the U.S. dollar and halt capital outflows towards the Washington monetary policies, M Delors told the U.S. businessmen U.S., although a few days later he indicated, in private, that the sugstrength of protectionist sentigestion was largely designed "to shock" and stimulate debate on the he favoured the relaxation of ment in the U.S. in this election French foreign exchange controls dollar issue. The industry is aware that with He qualified his remarks by say-U.S. businessmen yesterday notsome \$6bn losses behind it in the ed the conciliatory approach of M Delors and other senior governing he also wanted to see the role of past two years and with signs of a the European currency unit (Ecu) recovery in profits ahead, the run-up to the election might pro-vide it with the best chance to strengthened and a European ment officials towards the U.S. As monetary "pole" set up as an alternone businessmen put it, the French ative to the dollar. Government appears increasingly pressure the Reagan Administra-Only a week ago, M Delors bitter-ly attacked the U.S., calling Wash-foreign investment. serious in its efforts to encourage

Paris investment drive

40 per cent of industrial prices in ington "egocentric" for refusing to



## Higher North Sea output lifts Exxon profits 19%

BY TERRY DODSWORTH IN NEW YORK

EXXON, the world's largest oil comcrease improfits last year as it benefited from higher North Sea crude production and substantial streamlining of its operations.

Net profits amounted to \$4.99bn. or \$5.79 a share, against \$4.19bn, or \$4.82 a share in 1982. The fourth quarter figures showed a gain of only 10 per cent from \$1.48bn, or \$1.71 a share, to \$1.63bn, or \$1.91 a share, but this was partly due to comparison with a period when Exxon hegan to show the profits recovery that has been running ever since.

In addition, the company gained only about half as much last year from inventory profits under the last in-first out (Life) accounting system. These gains came to \$550m in 1983 against \$1.09bn in the previ-

ous year. Mr C.C. Garvin, Exxon's chairman, said that during the year both energy conservation and the substitution of non-oil fuels had continued to exert downward pressure on prices in the industry. Market demand, however, had "improved from the severely depressed and \$459m, or \$1.57 a share, while sales unsettled situation a year ago."

Exxon, he added, had put increas- \$7.4bn. ing emphasis on improvements in Mr Richard Morrow, chairman, efficiency and productivity. "Work- attributed the higher fourth quarter force reductions, shutdowns of earnings to greater foreign liquids excess capacity, disposal of un-production, improved refined prodneeded tankers, and other stream-ucts margins, and higher income lining and rationalisation steps had, from chemicals operations, which and will continue to have, a favour- continued to benefit from recovery \$2.23 a share against \$180.9m or

Sales revenues last year fell from pany, achieved a 19 per cent in- \$103.6bn to \$94.59bn, while capital and exploration expenditure was down by 20.3 per cent to 59.1bn. Exploration and production earn-

ings were virtually flat in the U.S. but overseas they rose strongly from \$1.56bn in 1982 to \$2.22bn. mainly due to a 117,000 barrels per day increase in crude oil production volume, to 777,000 barrels per day. Refining and marketing earnings

showed only a small gain both, in the U.S. and overseas. Standard Oil Company Indiana, ranked as the sixth largest U.S. oil company, saw a significant jump in

profitability in the fourth quarter of last year, although earnings increased by only 2 per cent for the full 12 months. Net profits amounted to \$1.87bn,

or \$6.39 a share, against \$1.83, or \$6.25 a share in 1982. Inventory profits last year were slightly down at \$103m against \$110m in the previous vear.

In the fourth quarter, however, earnings rose by 11 per cent to remained almost unchanged at

in the U.S. Lower profits from do- \$5.29 a share previously.

mestic explorations and production partially offset these increases. Standard Oil Indiana, which trades under the Amoco label, is the fourth largest refiner in the U.S. In the fourth quarter, its refinery activities increased their earnings by \$35m to \$42m, due largely to higher domestic refined product margins and greater utilisation of capacity. Atlantic Richfield (ARCO), the integrated oil group with major re-

quarterly payment is lifted from 60 cents to 75 cents a share. In the final quarter, net earnings iell from \$434m or \$1.70 a share to \$419m or \$1.62, with sales also lower at \$8.7bn against \$7.1bn.

serves in Alaska, has announced an

increase in quarterly dividend des-pite a fall in earnings last year. The

For the full year, Arco recorded a 7.7 per cent fall in net earnings to \$1.5bn or \$6.03 a share on a \$1bn drop in sales to \$28bn.

 Earnings have declined at Ashland Oil, one of the biggest indepen-dent U.S. refiners. First quarter profits for fiscal. 1983-84 amounted to \$27.2m or 66 cents a share against \$29.1m or 75 cents a share,

on unchanged revenues of \$2.1bn. The latest quarter includes gains of \$6.5m on sales of Australian and Malaysian carbon black interests and \$8.3m from favourable reserve adjustments.

Earnings for the full year ended last September totalled \$102.8m or

# Fiat sees brighter prospects

BY JAMES BUXTON IN ROME

THE FIAT group, boosted by the fact that its car subsidiary, Fiat Aulast year made a modest profit for the first time since becoming a separate company, yesterday presented the most cheerful picture of

its prospects for several years. man, said in a letter to shareholders of Fiat SpA the company had arrived at the start of a gradual international economic recovery with its papers in order.

in comparison with the losses, low productivity and internal strile from which the company was suf-fering at the end of the 1970s, Sig Agnelli cited the revived Fiat's reduced debt, lower break-even point, increased productivity, renewed product range and better industrial

Union Carbide

plunges

into the red

against \$2.28bn previously.

at \$9.78 from \$8.79 a share.

changed at \$6.3bn.

Fourth quarter earnings reached

\$72m, or \$1.75 a share, against

By Our Financial Staff

(\$12.5bn), a rise of only 3 per cent reduction of Fiat's presence in compared with the 1983 Italian inflation rate of 15 per cent. In many sectors, turnover fell.

were accounted for by Flat Auto, which, as widely forecast, made a was given, it is understood to be bethe market even though sales of the
tween L50bn and L80bn, compared Uno did not start there until the with a loss of L80bn in 1982. Sales were up 8 per cent at L11,307bn and the number of cars produced was 1.212m, up 7 per cent on 1982.

The turnround in Fiat Auto, which had not made a profit since it became a separate company in 1979, is due to factors which include labour force reductions, increased automation, the success of new cars

Group turnover was L21,243bn such as the Fiat Uno, and the sharp

Cars of the Fiat group increased their share of the Italian market by About 53 per cent of Fiat's sales 4 per cent to 55.4 per cent in 1983. Fiat claims to have retained its position as the highest selling compaprofit last year. Though no figure ny in Europe, with 12.8 per cent of second half of the year.

> Fiat's industrial vehicles division, headed by Iveco, produced negative results, however, with sales down 10 per cent at LA.483ba. The market, both inside and outside Europe, was generally depressed except in West Germany and Britain. In Italy the number of vehicles sold fell 15

## Steady growth for U.S. paper group

BY OUR NEW YORK STAFF

UNION CARBIDE, the diversified ST REGIS, the U.S. paper group, forecast a continuing improvement U.S. group with large stakes in chemicals and plastics, industrial gases and related products, has inin the U.S. paper industry yesterday after reporting a 23 per cent growth in net earnings last year to curred a fourth quarter loss of \$111m after write-offs relating to petrochemical plant closures and 555.2m against \$45m in 1982. stock write-downs. This compares

Comparisons between the two years were complicated by a numwith net earnings of \$20.2m or 42 ber of exceptional factors, including a lower provision for asset divesti-Net earnings for the whole of 1983 totalled \$79.2m or \$1.13 a share ture last year, when these charges amounted to only \$15m against against \$309.7m or \$4.47 a share in

\$50m in 1982. Setes for 1983 totalled \$9hn The lower provisions, however, were balanced by a higher tax charge last year, and a benefit of against \$9.08bn previously, with the fourth quarter contributing \$2.35bn only \$11m from the sale of tax ben-Mousanto, the major U.S. chemical group, lifted net profits 53 per cent in the final quarter to finish 1983 ahead at \$402m from \$352m, or efits, compared with \$28m in the

previous year. Mr William Haselton, chairman, said that the company expected further market growth and higher prices in the current 12 months, without any appreciable increase in inflation or interest rates to under-

Mead Corporation, the forest products and electronic publishing company, also announced a sub-stantial turnround in 1983, with net earnings emerging at \$42.6m against a net loss of \$85.8m in 1982. \$33m tex credit and were after a \$18m charge for businesses shut down or sold. These figures included an extraoridinary gain of \$5.4m last year

from divestments and debt for equity swaps, while in the previous year the company was hit by a \$24.8m charge against profits for divest-ments and settlement of an antitrust suit.

Consolidated-Bathurst, the Canadian forest products group, will soon spin off part of its packaging businesses in North American through a public issue of stock. This will give Consolidated access to new

equity capital. CB PAK, a Montreal-based packeging holding company, is being gormed to take over Domglas, a major glass container firm, Twinpak, a large plastic container company both with national operations - and Consolidater's inventorate in the Consolidated's investments in the jointly-owned Libbey-St Clair and Diamond-Bathurst. The sales of these companies total several hun-dred million dollars yearly, and all are profitable.

Crown Zellerbach, one of North America's largest paper producers, also staged a sharp recovery, with fourth quarter earnings of \$25.1m or 77 cents a share bringing the 1983 total to \$87.8m or \$2.54 a share. The final quarter of 1982 produced a loss of \$146.4m, making a yearly deficit of \$713.8m or \$5.66 a share.

#### Control Data struggles to lift performance

earnings momentum, yesterday reported slightly higher fourth-quarter and full-year earnings, but said

\$213.6m.

said that net earnings in 1983 in- in the 1982 final quarter. creased to \$161.7m or \$4.20 a share During the year, the company, from \$155.1m or \$4.11 a share in which ranks about fourth in the 1982 on revenues up from \$4.3bn to U.S. information processing indus-

try, said computer systems ship-However, Control Data said the ments reached record levels.

### **Baldwin** charge hits Merrill Lynch

By Our New York Staff

MERRILL LYNCH, the Wall Street investment firm, has revealed a surprise \$42m fourth-quarter operating loss and a 25 per cent de cline in full year earnings. This is the direct result of huge charges incurred as part of a plan to help its customers who purchased single premium deferred annuity con-tracts issued by a subsidiary of fi-nancially troubled Baldwin United. After non-recurring charges of \$112m in the fourth quarter (\$60m after tax) the net loss was \$42m or 47 cents a share compared to record earnings of \$142m or \$1.74 a share in the corresponding 1982 period.
Excluding the special charge, earnings in the final three months would have been \$18m or 21 cents a

Aside from the special charges in the fourth quarter and full year related to the Baldwin policyholders plan. Merrill said the total charges also include \$66m (\$35m after tax), in the year and \$24m (\$12m after tax) in the quarter to provide re-serves for obligations owed by Bald-win United units to Merrill.

Merrill, the first of the major Wall Street firms to announce its 1983 results, said it had net earnings last year of \$230m or \$2.68 a share, compared with \$308m or \$3.79 a share, compared with \$308m or \$3.79 a share. The full year earnings include pre-tax charges total-ling \$153.5m, mainly from its pro-posed plan to aid Baldwin United policyholders. Excluding these charges, equivalent to \$83m after tax, Merrill said earnings last year would have been \$313m.

Revenues increased to \$5.7bn from \$5bn for the year with the fourth quarter contribution \$1.4bn

#### Amex dips for first time in 35 years

By Our New York Staff AMERICAN EXPRESS, the diversi-

fied U.S. financial services group, has, as expected, incurred a fourth-quarter loss and its first full year earnings decline for 35 years because of serious problems at its Fireman's Fund insurance subsid-

The group, which stunned Wall Street last month when it revealed the extent of the problems at Fireman's Fund and said it was adding \$230m to the insurance unit's re serves in the fourth quarter be-cause of an increase in the frequency and severity of claims, said that it had a loss of \$21.9m in the fourth quarter compared with net income of \$156.3m or 81 cents a share in the same period in 1982. Revenues for the period increased to \$2.53bn from \$2.25bn.

The poor final quarter resulted in an 11.4 per cent decline in full year earnings to \$514.7m or \$2.53 a share from \$581.1m or \$3.02 a share on lop subsidiary, which filed for bank-revenues up from \$8.09bn to ruptex in October but has contin-

## **New orbits for Euromarket stars**

NO ONE who has east even a curso-ry glance at the Euromarket this year could fail to spot its growing similarity to Alice in Wonderland's Mad Hatter's Tee Party, where guests move around the table each time a bell rings.

The make-believe has been reinorced this week by Monday's resignation of 10 key members of the staff from Credit Suisse First Bos-

ton (CSFB) to join Merrill Lynch. But on the very same day European Banking Group announced the departure of Mr Jerry Goldstein, its capital markets chief, following policy disagreements with the board. And 1984 has already also seen

another of the Eurobond market's star players, Mr Joan Beck, switch from Morgan Stanley to CSFB, while late last year Mr David Craig and three other senior executives left Morgan Guaranty to set up business on their own.

It is all too easy to assume that the Euromarket is simply playing its own version of the Mad Hatter's Tea Party with what the City of London quaintly calls a telephone number (a six digit salary). Yet the notoriously high pay commanded by top players in the market are onpart of the story. Bonds have enjoyed two boom years. Last year

As international bank lending has declined, new opportunities have been created in issuing and dealing in such securities as certificates of deposit and floating rate

securities business, as has been happening for some years on Wall

The CSFB defections smack. however, of something different,

Peter Montagnon examines the ambitions of Merrill Lynch, now reinforced by 10 defectors from Credit Suisse versity of its products. In that sort First Boston - and the contrasts between the two investment houses,

its traditional entrepreneurial flair, join another large, established op-has been quick to exploit. eration, with all the potential bu-which wants to keep a long-term

description their large bonuses, about the contrasting hothouse attended are still salaried employees of measured anomach of his measured anomach of h large houses. If they went into business on their own, they feel their

from six figures to seven. As the bond markets have come rich private investors and institutions have also felt willing to step in

Put simply, success has made the reaucracy and power politics that it market restive. Some top execu- involves. Their decision says much

Merrill Lynch has made no secret annual earnings capacity could rise of its ambitions to become a worldwide financial services company. Last year it ranked third in the ismore and more into the limelight, sue of new Eurobonds, launching just over \$2bn worth of new paper. Yet this was still way behind the with the necessary capital. It is a two market leaders, CSFB with configuration which many bankers nearly \$8bn and Deutsche Bank believe could lead to a proliferation with nearly \$6bn. "I would hope

new international issues totalled \$73bn compared with only \$64bn for syndicated bank loans.

As international bank lending securities business, as has been that these gentlemen would help us to close the gap over the course of the next several years," said Mr. Don Roth, chairman of Merrill Lynch Europe.

> In other words, Merrill has no ambitions to topple CSFB from its top position as an issuer of Eurois this year or next. Its strategy is longer term, based on its size, solidity, worldwide reach and the diof organisation there is not much room for stars and team effort is

Mr Michael Dobbs-Higginson, notes, which the Euromarket, with Ten people are leaving one firm to knowledges that this rould become which wants to keep a long-term hold on bigger business opportuni-

If that is true, Merrill Lynch as a large organisation has considerable advantages over CSFB, which has done more than most investment houses to foster the individualistic superstar image of Euromarket

It will take some time before the market can tell whether CSFB's remaining stars can step in to fill the gap or whether it now finds itself uncomfortably perched between the boutques and the thundering herd.

MBK forms

import link

MBK Industries, the new French

company which has taken over the

assets of the bankrupt French

moped maker Motobecane, plans to

import 2,500 scooters made by the

Japanese motorcycle group Yama-

M Guy Blanc, the new company's

president, said French equipment would be built progressively into

the machines, making up 30 per

cent of the scooters in 1985 and 50

Yamaha took a 10 per cent stake

in MBK at the end of last year as

part of the plan to revive the old

Motobecane company. A further 30

per cent is held by the Brazilian cy-

Japanese

By Our Paris Staff

ha this year.

per cent by 1986.

## Bull benefits through shake-up with 50% annual deficit cut

BY DAVID MARSH AND GUY DE JONQUIERES IN PARIS

BULL, the French state-owned computer group, reduced its losses last year by about half from the 1982 group loss of FFr 1.35bn (\$150m), according to M Jacques Stern, the company's chairman.

He said administrative shake-ups and technical restructuring brought into effect over the last year had "profoundly modified the performance of the company and he was reasonably optimistic about the future after the company's longrunning string of losses.

crease in group turnover last year from 1982's FFr 8.13bn, Bull had recaptured credibility among cus-

and abroad. M Stern said.

SUMITOMO Rubber, the Japanese

is Government taking over practi-

cally all the French activities of

The proposition, put to the

French authorities at a top-level

meeting with Sumitomo officials on

Monday, will be studied in Paris over the next few days, and another

session with Sumitomo to discuss

the plan will take place at the

beginning of February, according to officials in Paris.

stressing that no decision has yet

been made on the fate of the Dun-lop subsidiary, which filed for bank-

The French Government

Britain's Dunlop rubber company.

tyre group, has proposed to the Par-

With roughly a 20 per cent in-

However, he warned that, as the over by 1986, M Stern said.

company has said in the past, Bull would still probably not be out of the red until 1986.

Apart from reorganising its operating divisions - now split into separate profit centres grouping its different computer ranges, peripherals and terminal equipment -Buil also profited from FFr 1.5bn of capital injections from the state last year. This allowed the company to reduce its debt servicing charges from the previous crippling level of 10 per cent to around 7 or 8 per cent

of turnover in 1983, M Stern said. The aim eventually, through successive capital aid from the state, was to rectify Bull's under-capitalised financial position and reduce

Japan bid for Dunlop France

ing accord with the banks.

However Sumitomo is now the

only possible bidder willing to take

over Dunlop's French activities

without closing down substantial

and Pirelli of Italy have also put for-

ward bids to the Government's so-

called "lame duck" committee, Ciri,

which handles cases of companies

in distress, to take over part of Dun-

lop France's business. But since

these companies are interested only

in taking over the relatively profit-

able Amiens plant, the Government

is not taking their bids any further.

Sumitomo in October already agreed to take over Dunlop's Brit-

months thanks to a stop-gap financ- ish and German tyre activities, ef-

parts of the company's manufactur-ing operations. Firestone of the U.S. work.

M Stern, commenting on the recent burst of international link-ups between companies in the computer telecommunications fields, made clear that Bull was in no hurry to forge such links itself.

Bull already has co-operation accords with the U.S. computer groups Honeywell (even though its stake in Bull has been reduced from its previous 20 per cent to about 8 per cent under Bull's latest capital increase), Convergent Technologies and Trilogy Corporation.

He said the ground was making "contacts" with telecommunications companies with a view to developing products in the integrated tele cle group, Caloi Monarch. communications/office automation field in the second part of the 1980s

fectively cutting Dunlop France loose from the rest of the group.

Since then, French officials hope

that Sumitomo has been persuaded

that Dunlop France is an integral

Ciri officials say that Sumitomo

has put forward a "global proposi-tion" for taking over all Dunlop's ac-

tivities apart from wheel-manufac-

turing and heavy duty tyres based

at its Montlucon factory in central

Redundancies among Dunlop's

5,800 French workforce would cer-

tainly be involved, and one of the

smaller of Dunlop's five French

plants might have to be closed.

## Motorola

37% ahead

By Our New York Staff MOTOROLA, the U.S. electronics group, increased net earnings in 1983 by 37 per cent.

Net earnings totalled \$244m or \$6.26 a share compared with \$170m or \$4.64 in 1982 an \$8m fourth quarter extraordinary gain made a final net in 1982 of \$178m or \$4.87).

Net earnings in the final quarter were \$95m or \$2.42 a share, com-pared with \$63m or \$1.69. Sales rose by 27 per cent to \$1.27bn from

ter manufacturer, said yesterday that it had started volume shipments of its IBM PCjr home compu-

IBM unveiled the PCir on November 1 and said at that time that it would go on sale during the first quarter of this year.

#### Bancorp results slide as loan losses mount

BY OUR NEW YORK STAFF

(EAB), the U.S. banking group which is owned by six major European banks, has reported a sharp 37 per cent decline in 1983 net earn-ings and a \$6.9m net loss in the fourth quarter because of signifi-cantly higher loan losses, write-offs

and non-recurring charges. EAB also revealed that the six European banks which own the New York banking group has also injected a further \$20 in equity into the bank and agreed to convert a \$25m floating rate note due in 1985 to permanent equity capital at mat-

The banking group reported that net income last year fell to \$19.23m from \$30.42m in 1982. Mr Nicholas Sica, EAB's president and acting chief executive said, "the decline in 1983 garnings

was due to several factors. The most important was an increase in

EUROPEAN AMERICAN Bancorp (EAB), the U.S. banking group which is owned by six major Euro-several areas of the loan portfolio. "Also in the fourth quarter var \$11.08m, including a charge-off of \$8.35m related to systems development in the automation area." he

> As a result of these higher provi sions and charge-offs EAB reported a net loss of \$6.89m in the fourth quarter compared to net income of \$7,73m in the 1982 quarter. EAB's loan problems first came

to light at the end of 1982 when the bank reported that its non-performing loans had more than tripled to \$297.7m. At the end of last year the bank's non-performing loans stood at \$222m, a \$25.7m re-

In the fourth quarter EAB's net charge-offs tripled to \$34.4m from \$10.8m in the 1982 period and its provision for possible loan losses the provision for loan losses in the jumped to \$33.3m from \$17.3m in fourth quarter." This, he added, was the 1982 period.

#### Santa Fe advances

Department Commission, reported increased operating earnings for the final quarter of last year

THE NEWLY MERGED Santa Fe tions improved from \$68.1m or 36

#### Merck reports fourth-quarter income rise

By Our New York Staff

MERCK, a leading U.S. pharmaceuticals group, yesterday re-ported higher fourth quarter and full year net earnings and sales, but highlighted the adverse impact of the strong U.S. dollar on

The drugs group, which has extensive overseas operations and last year acquired majority stakes in two Japanese pharma-ceutical companies as part of a push into the Japanese market, said it had net earnings in the fourth quarter of \$104.8m or \$1.42 a share on sales of \$855.8m compared to net earnings of \$99.5m or \$1.34 a share on sales of \$791.4m in the same quarter in

The fourth quarter earnings, which were marginally lower than some analysts had expect-ed, lifted the group's full year earnings to \$450.0m or \$6.10 a share compared to \$415.1m or \$5.61 a share in the previous year. Sales increased to \$3.25bn

• Becton Dickinson, a major U.S. medical equipment manufacturer, yesterday reported signifi-cantly lower fiscal first quarter results, but said its results were

better than expected It said net earnings in the first quarter, ending December 31, lell to \$1225m or 58 cents a share from \$17.63m or 83 cents a share on sales which remained flat at \$256.2m compared to \$255.9m.

### Eaton begins disposal of fork-lift business

ess with the formation of Yale Materials Handling Corporation.

Yale Materials Handling began

er cent of the shares have been cent to two employee share owner-

until Yale has reported financial reults for the first two quarters.

Mr Reginald Eklund, president of all print the first two duarters.

Mr Reginald Eklund, president of the approval of the two boards is expected to be completed by the sults for the first two quarters.

Yale, said that although the lift spring.

EATON CORPORATION, the large truck industry was mature, price U.S. capital goods manufacturer, sensitive and overcrowded with has completed the first stage of the competition, "if you have the right has completed the first stage of the competition, "if you have the right hiving off of its fork-lift truck busi-Among the outside investors in Yale are Sumitomo Heavy Indus-Eaton announced a year ago that tries of Japan and Jungheinrich, it would dispose of its lift track the West German materials han-business and absorbed a \$205m ex-traordinary charge in its 1982 ac-mitomo has been in a joint venture counts, most of it arising from this with Yale for 13 years and supplies it with internal combustion engine

lift trucks for distribution in North operations on January 1. So far, 31 America and Europe. • Eaton has announced that an sold to outside investors and 10 per agreement in principle has been cent to two employee share owner-reached with Allied Corporation. hip plans. Eaton will acquire the assets and businesses of Bunker Ramo Eleccent stake to 19 per cent by the end tronic Systems Division, with the of 1984 through a public share offering. But this will not be attempted marine wariare products.

The transaction, which is subject

## Allis-Chalmers cuts loss

BY OUR NEW YORK STAFF

chinery manufacturer, cut its losses venture. Sales dipped from \$357.2m further in the final quarter of last to \$347.8m. year, although sales continued to

ALLIS-CHALMERS, the U.S. agri-cultural equipment and heavy ma-ations" and a write-down on a joint

For the full year, a loss of tall. \$133.2m compares with \$207m. The
The net loss for the quarter to1982 figure takes in a gain of \$16.7m. talled \$18.9m against a loss of from sale of an affiliated stake. \$130.3m in the comparable period, but the 1982 figure includes a net cent to \$1.3bn.

, £2,49 ivesti

Newscare a

year in world aluminium prices. Another Norwegian aluminium producer, Sar-Norge Aluminium, also reports a return to profit last year, after making a NKr 15m deficit in 1982. The company, which operates a 65,000 tonnes per year smelter at Husnes, West Norway, expects its 1983 accounts to show a profit of between NKr 95m and NKr \$4.6bm.

#### \$47m, or \$1.12 last time, when a \$23m extraordinary gain was included. Sales for the three months were up from \$1.47bn to \$1.65bn leaving turnover for the year un-The 12-month figures took in a

\$19m earnings

Aardal expects

By Fay Gjester in Oslo AARDAL og Sunndal Verk, Norways state way's state-owned aluminium group, foresees a profit of about NKr 150m (\$19.1m) for 1983, compared with its record deficit in 1982 of NKr 545.5m. The turnround reflects the marked improvement last

CONTROL DATA, the U.S. compu-earnings improvement stemmed ter and financial services group, mainly from an improved tax proviwhich has been struggling to regan sion rate, which more than offset a

that higher pre-tax earnings from In the fourth quarter, the compa-computer-related businesses had ny said it had net earnings of been offset by a decline in financial \$48.7m or \$1.26 a share on revenues of \$1.25bn compared to \$43.8m or services earnings. of \$1.25bn compared to \$43.8m or
The Minneapolis-based company \$1.18 a share on revenues of \$1.17bn

BY TERRY BYLAND IN NEW YORK

Southern Pacific rail network, cents a share, to \$84m or 44 cents a which is still waiting for final clear-share on revenue of \$1.59bn against ance from the Interstate Commerce \$1.45bn.

For the full year, operating net

was up from \$307.9m or \$1.82 to \$333.4m or \$1.77 with revenues Net profit from continuing opera-slightly better at \$5.98bin

**Proposed Ownership Structure** 

Bell Resources 5%

Pancontinental 3%



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25th January, 1984

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de Zoete & Sevan. 25, Finsbury Circus, London EC2M 7EE

## INTL. COMPANIES & FINANCE

Michael Thompson-Noel on the major coal consortia being formed in Australia

# BHP brings Utah in from the cold

The cleansing of Utah, which consortium. earned the opprobrium because of its ability to repatriate large profits to its U.S. parent, will mean that five of the world's most lucrative coal mines will pass from American to Australian control, and largely and largely and largely into Australian ownership.

Equally important, the deal

It was a clever idea, which is belied BHP's reputation as a stick-in-the-mud. From BHP's called Wigmores), which is owned by Mr Robert Holmes a Court's Perth-based Bell Group, and is negotiating to take a 5 per cent stake in each consortium, with an option on a further 5 per cent in each:

Australian ownership.

Equally important, the deal will see the emergence of a promising new investment vehicle, the Queensland Coal properties into a new consortium, leaving it to find an estimated U.S.STOOM to vehicle, the Queensland Coal Trust (QCT). This will be Australia's first resources unit trust, and one that could play a significant role in the develop.

Proposed Gwnership Structure a significant role in the develop-

ment of future projects,
All this stems from the
announcement last January that Australia's largest company, was negotiating a US\$2.4bn deal with General Electric of the national mining and resources

concern.

For GE, the move meant the freeing of funds so that it could concentrate more avidly on positioning itself as a leading force in high technology.

For BHP, the deal marked a determined move back into minerals and resources, and thus away from steel and steelrelated products, which in recent times have bled its profits. For 1982-83 these were down 31 per cent at A\$253m (US\$230m).

Utah International's non-Australian assets include mines (copper, coal and iron ore) from Vancouver to Brazil, and undeveloped mining properties from Chile to Indonesia—all of them useful in improving BHP's exposure as a major competitor in the world resources league. However, Utah's main asset is extensive coal deposits in Queensland, and it is these that are about to be reshuffled into new ownership.
Consortium number one (to

be called New Central Queens-land Coal Associates, Gr New CQCA), covers the Blackwater, Goonyella, Peak Downs, Sarayi, and Norwich Park mines, as well as two undeveloped properties. Daunia and Isaac River. Consortium number two (to be called the Gregory joint venture) involves the Gregory mine, formerly 100 per centowned by BHP.

These are rich coking coal

properties, with total open-cut reserves (primary plus secondary) put at 1.82bn tonnes. In 1982 their combined exports reserves (primary plus secondary) put at 1.82bn tonnes. In 1982 their combined exports of 19.64m tonnes accounted for cent of total Australian coal exports.

At first BHP planned to merge the mines owned by the secondary put at 1.82bn tonnes. At and acts as UDC's sub-agent and secondary of each cent. Should the takeover offer coverable open cut reserves put scheeped at 877m tonnes. Their main customer is Japan, but coal is shipped to other Asian and become entitled to 352m units also shipped to other Asian and in the Queensland Coal Trust, world, with economically-re-coverable open cut reserves put scheeped at 877m tonnes. Their main customer is Japan, but coal is shipped to other Asian and in the Queensland Coal Trust, world, with economically-re-coverable open cut reserves put scheeped to the cast supports and some level, shareholders will become entitled to 352m units become the first belong the coal and aluminium, which together with the cash in the nine months to september 1983, their unaudited from the cold.

BY OUR FINANCIAL STAFF

Video tape business, says increase TDK, had a "tough year," with to 75 from mid-1982, a "too rapid" 1988-6 increase in production capacity cent.

First profits fall in

TDK Corporation, the Japanese 1976 when this sector has grown

company which is the world's within TDK at a faster pace largest manufacturer of mag-than magnetic recording tape

largest manufacturer of magnetic recording tapes and ferrites, suffered a decline of 7.9 per cent in consolidated net profits, to Y26.9bn (\$115m) in the year to November 30, to show the first fall in eight years.

The company forecasts, however an immediate return to the second state of the year just past being better than that in the first, in backing its claim for a better performance being shown this year.

rhe company forecasts, however, an immediate return to profits growth, based on the idea of swings in its markets balancing themselves out.

Sales rose 13.8 per cent to Y346.6bn (\$1.5bn) in the year, and TDK expects further growth in sales this year.

Video tane hyeines company says it will concentrate on expanding its electronic goods sales.

by major manufacturers, and Hitachi is paying between entrants to business making 4500m and 41bn a month to themselves felt.

International Business Machines themselves felt.

TDK comments that in contrast with the showing on the computer software under the

tape side, the electronic recent out-of-court settlement of materials and components side IBM's lawsuit against Hitachi had a good year, with 1983 for alleged theft of computer having been the first year since technology and software.

8 years for TDK

problems in attracting new equity. However, it has now stitched together an elaborate

remaining

CQCA

Things have not worked out

like that. Because of the recession, and the depressed demand for coal, BHP encountered

(non-Australian)

It was a clever idea, which

• GE, which to facilitate the deal will take 15.5 per cent of each consortium—an interest it

hopes eventually to dispose of; ceed with an underwritten cash ceed with an underwritten cash which will be formed as a result of BHP's planned take over of the publicly-quoted Umal Consolidated, and will of U.S.\$25m per combined 1 per take 21.75 per cent of each consortium.

U.S.\$800m to cover Utah's Northern Territory's Jabiluka uranium find, development of which, under current Government policy, has been vetoed. Pancontinental is to take a 3 sortlum, with an option on a further 3 per cent in each.

GREGORY

The key to the revamped consortia is Umal Consolidated, stitched together an elaborate and inventive plan, under which the formation of two new consortia can proceed.

The main players in the drama, as re-scripted and recast, are as follows:

BHP, which plans to take a price of 310 units of A\$1 for CQCA, plus 47 per cent of 320 units per 100 shares held Gregory;

GE which to facilitate the a minimum of 90 per cent of 320 units minimum of 90 per cent of 320 units per 100 shares held a minimum of 90 per cent of 320 units per 100 per cent of 320 units per 100 shares held and 320 units per 100 shares held and 320 units per 100 per cent of 320 units per 100 p a minimum of 90 per cent of Umal's share capital. In addition, the trust will pro-

ONCE DUBBED the "blackest name in coal," Australia's Utah Development (UDC) is about to be scrubbed clean as part of a complex and ingenious deal that will produce a powerful new force in the country's resource sector.

The cleansing of Utah, which

cent of each consortium; A\$36m. The cost to the trust of its interests in both consortia

the net income of certain public unit trusts is subject to taxation as if those trusts were

holders . . no liability to income tax will be suffered by the Trust. The 'net income' . . will be subject to income taxation in the hands of the unit holders

unit holders . . . in accordance with their particular income tax position. This has been confirmed by the Commissioner of Taxation." Taxation In addition, Mr Brian Loton, BHP's managing director, has been assured that the Govern-ment is not planning any review of the tax treatment of unit trusts that would affect QCT.

In other words, the transfor-mation of Umal into QCT (described by one commentator as "an elegant piece of corporate sleight of hand ") will offer important tax benefits, as well as facilitating the entire

revenue over expenses (before revenue over expenses tableted depreciation, interest exists and tax) of A5386m. On Umai's figures, the distribution to investors in the new Queensland Coal Trust, calculated on the A51-per-unit issue price, would have been at the rate of 13.3 Start-up expenses are put at approximately AS12m, and per cent for the year ended initial working capital at about 1882, and at an annual rate of 16.3 per cent for the

nine months to September 1983. its interests in our consolutation is put at A5610m, assuming it acquires 21.75 per cent of each. Should the takeover offer fail to achieve a 75 per cent acceptance level—there is an extraordinary meeting of the continued recovery of the continued reco The prospectus states that 1—Umal will in any case fall back on a contingency plan enabling it to company, and extending its interest to 16.25 per cent in each consortium.

The consideration of some of the excess (high-cost) capacity which currently exists, distributions should return to historical professional profe

The consideration involved would be equivalent to A\$361m
—A\$217m from the sale of its UDC shares, A\$100m in new borrowings, and A\$44.6m from existing cash balances.

Under Division 6R of Part existing cash balances.

Under Division 6B of Part
III of the Australian Income
Tax Assessment Act of 1936,
the net income of certain

at a discount of 7.5 per cent on current market prices. According to work done by merchant bankers Barings and However, according to an investigating accountant's report: "In our opinion, Queensland Coal Trust is not a trust to which Division 6B applies.

This has been confirmed by the Commissioner of Taxation by letter. . . As long as the net income of the trust is tonnes this year to 20.1m tonnes distributed in full to the unit by 1987, and to 21.1m tonnes distributed in full to the unit by 1987, and to 21.1m tonnes holders . . no liability to after 1990. In constant duliar terms the average price received is forecast to rise from USS53.3 per tonne to US\$59.7 per tonne by 1980.

Sir James McNeill, the BIIP Sir James McNeill, the Billy chairman, has stressed that in buying Utah, the Big Australian is "buying straw hats in winter"—ie, investing in long-term assets, and taking an appropriately long-term view of the energy market.

Although BHP has had to take a larger stake in the Utah mines than originally envisaged, its standing in Australian stock

its standing in Australian stock market circles could hardly be events of the past year (Utah, its Jabiru oil discovery, its involvement in oil exploration off China, and the return to profit of its steel division), having done wonders for its

public image.

The same could be said of Utah, whose former reputation for cut-throat pricing allegedly

## North American quarterly results

Revenue	CORNING GLASS WORKS		PRIME COMPUTER			SHELL CANADA			
Revenue	Fourth quarter			Fourth quarter	1953	1982	Fourth quarter		1981
Not profits	Revenue	377.3m	355,9m	Revenue	142.Bm	118.3	Revenue		1.3
Not per share   0.78   2.05   Not per share   0.78   2.05   Not per share   0.79   2.05   Not per share   0.79   2.05   Not per share   0.79   2.05   Not per share   0.75	Net profits		42.5m	Met profite	10m	12.2m	Net profits		100
Net profits	Net per shere			Net per share	0.21	0.26	Net per sture		B, 14
Met profits	Hereime			Revenue	516.5m	435.8m	Revenue	5345-	5.10m
Pacific Gas & Electric   Pacific Gas & Elect	Net profits			Het profits	32.5m	44.9m	Net profits	102m	1310
Fourth quarter   1983   1982   Fourth quarter   1983   1982	Net per share	4.38	3.52	Net per share	83.0	0.99	Not per share		1.0
Revenue	EMHART			PACIFIC GAS & ELECT	RIC	<del></del> .	TEXAGO CANADA		
Revenue	Fourth quester			Fourth quarter			Fourth quarter		1905
Not profits   1.14   0.97   1.14   0.97   1.14   0.97   1.14   0.97   1.14   0.97   1.14   0.97   1.14   0.97   1.14   0.97   1.14   0.97   1.14   0.97   1.14   0.97   1.14   0.97   1.14   0.97   1.15   1.17	Demonit .			Parama.					- 3
Not per share	Nat crofite			Not reside			HENGING HASSINGTON		1,32bs
Year   Year   Total   1.75m   1.75m   1.75m   1.75m   30m   30m   30m   30m   357   3.26   Net per share	Nat per share			Not nor charm.			Met promise and a constant of		65,80
Met profits	Year			Year			Year		0.5
Net per share	Movement . , , , , , , , , , , , , , , , , , ,			Heverye			Revenue	5.730m	4.8450
PROPLE EXPRESS   TRANSAMETRICA	Not not show			Net prints			Net profits	343.607	274.8
Fourth quarter   1865   1982   Fourth quarter   1983   1983   1984   Fourth quarter   1983   1984   1.13bn	uer her some '			ser bet 1000	2.15	246	Net per sture	274	21
18	KAUFMAN AND BROA	D		PEOPLE EXPRESS			TRANSAMERICA	<del></del>	
Revenue	Fourth quarter			Fourth quarter			Fourth quarter		1981
Op. not profits	Reverse	165m	122.7m	Revente			Contracts	_	
Op. net per share   0.56   70.70   Net per share   0.07   70.71   Net per share   0.62   0.	Op, net profits	8.6m	†8.2m	Net profits			that coulde		1.150
Cp. not profits		0.56	10.70	Net per stare	0.07		Het beceperation		0.65
Cp. not profits	Reversie	559.6m,	422.7m	Revenue	292.1m	138.8m	Year		
Oh. net per share	Op. net profits	21.9m	122.8m	Net profits			Revenue	4 Alleha	4.335
Loss	Op. set per there	1.36	11.96	Het per share			Net profits		186.24
Fourth quarter	† Loss		-	† Lose			Not per share		2.9
S   S   S   S   S   S   S   S   S   S	PHILADELPHIA ELECT	RIÇ		REPUBLIC NEW YORK			UHION CAUES		
Revenue	Pouris quarter			Fourth quarter			Fourth quester		1982
Net profits	Revenue			Raytous	-	-	D		
Net per share	Net profits	87m	81.5tg	Net profits		153-	Alex manifes		3664
Revenue	Net per share	0.48	9.54	Met per shere			Lest bet etreue		29.3n 1.21
	Agvenue,	2.6bn	2.64bn		10.1be	9.265-			
	Net profite			Net profits			Revenue	1.65ba	1.43be
Net per state 2.40 2.50 Net per share 5.47 6.50 Net product and p	Net per stare	2.40		Net per share			Hat man of the		124n 5.10

#### Sharp rise in earnings at Malaysian Resources BY WONG SULONG IN KUALA LUMPUR

MALAYSIAN RESOURCES, the higher sales of residential and

pre-tax earnings for 1983 to ing and financial services—also 23.2m ringgit (US\$10m) from 5.8m ringgit in 1982 on turnover The final dividend is 5 cents, while 7.5 cents for the year. up to 97m ringgit from 35.4m making 7.5 cents for the year, ringgit. The result exceeded the forecast of a pre-tax profit of 19.1m ringgit made in Sep-

fast-expanding property group, commercial property, although has reported a sharp increase in its other activities—manufactur-

tronics division and will increase electronic goods sales

to 75 per cent of total sales in 1988-89 from the present 50 per

compared with 5 cents previously.

Malaysian Resources also announced it was proposing to split its paid-up capital of 115.5m ringgit from one ringgit The company said that the 115.5m ringgit from one ribulk of earnings came from shares into 50 cent shares.

#### SLOUGH ESTATES FINANCE LIMITED

US\$20,000,000 8% bonds 1973/88

Notice is hereby given to holders of the above bonds that the whole of the redemption instalment of US\$1,800,000, due on 1st February, 1984 has been met by purchases in the market and that consequently no drawing of these bonds will take place.

Sub-paying agents: London, 25th January, 1984

Amount outstanding: US\$10,000,000
Principal paying agent: Kredietbank SA, Luxembourgeoise Charterhouse Japhet pic Continental Bank International

The undersigned has arranged the acquisition of a majority interest in

The East Side Express

L. F. ROTHSCHILD, UNTERBERG, TOWBIN

January 6, 1984

## Pilatus sets its sights higher yet in face of international challenge

The same of the sa

prop aircraft came into production in 1979, orders for 360 have been placed, and its sales have been largely responsible for the last two years being successful for the company, with consolidated sales rising 35.2 per cent to SwFr 222.6m (\$100m) in 1982, and perhaps to some SwFr 300m in 1983.

The status of Piletus has been raised in business strucof last year. As a wholly-owned part of the Zurich-based Oerlikon-Buehrle group, it has been hived out of the Automotive Division to become the Aircraft Subdivision. Pilatus, itself had been established in 1939, and among its three founders was E. G. Buchrle, a founder of Oerliken-Buehrle.

In 1982, the consolidated sales of Pilatus, including those of Pilatus Britten-Norman of Bembridge, on the Isle of Wight, represented 5.3 per cent of Oerliken-Buehrie's consolidated sales, and showed a rate of increase matching that in

Both Oerliken-Buehrle and Pilatus are coy about giving a greater breakdown of subdivisional performance. But it is said that Pilatus has continued to make a profit, and that contrary to predictions in the group annual report of 1982. Pilatus sales growth 1983 continued to be "at least as much as in 1982."

Last year, as in 1982. "The exceptional increase can be attributed almost exclusively to the larger sales of PC-7 Turbo Trainers". But the warning is that "such strong growth is not . . . expected to continue in

The works at Pflatus have

BY TERRY POVEY

No Serve Successful Serves English

JAPAN'S big four security houses have all reported size-able increases in consolidated

THE PLANT of Pilatus Aircraft, Switzerland's only private-sector aircraft martifacturer, is situated magnificently at Stans, near Lucerne, on the edge of a broad-based valley with room for a small airport and military base.

Its surrounding hills and mountain peaks are extraordinary to view from the air, whether in level flight or upside down in the cockept of Pilatus' star product, the two-

Stans, near Lange of a broad-based with room for a small airport and military base.

Its surrounding hills and mountain peaks are extraordinary to view from the air, whether in level flight or upside down in the cockpit of Pilatus' star product, the two-seat PC-7 Turbo trainer.

Since the single-engine turbo prop aircraft came is to product in 1979, orders for 360 placed, and its sales being when including those employed at Pilatus Britten-Norman, set up in 1979 on the purchase of Britten-Norman, formerly part Fairey Group. up in 1979 on the purchase of Britten-Norman, formerly part of the Fairey Group.

Since its establishment, the fortunes of Pilatus have depended on alternating horsesen the development of its

depended on alternating between the development of its and maintenance contracts. Thus, over the years, it has worked for the Swiss Air Force on fighters ranging from de Havilland Vampires, and

The PC-7 has been the big triumph since deliveries started in 1979. Its current "flyaway" price is SwFr 2.2m (some \$1m), although the rate of production without substantial sub-contracting has to be limited to between five and seven a month. So far, there have been 13 military and three civilian customers, accounting for 300 deliveries out of orders so far of 360. The chief recipients

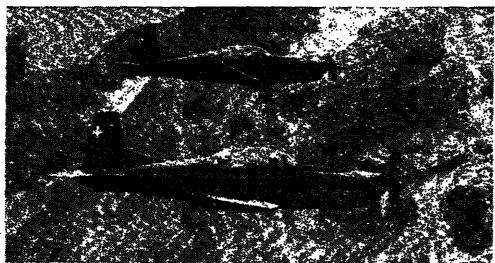
have been: Mexico 55, Iraq 52, Malaysia 44, the Swiss Air Force 40, and Bolivia 36. Iran with 10 has been amongst the most recent customers.

Pilatus are acutely aware of competition, especially from the U.S. and Brazil, and of the potential pickings from an RAF contract which if it came off would mean 150 PC-7s, or more significantly their next genera-tion, worth over SwFr 600m (say at least £200m, or around \$300m). Current plans are to stay with

the continuing demand for the Porters and for the next decade Porters and for the next decade with the PC-7. But, in the face of speculation in the local press and the logic of the need for further development, Pilatus is saying nothing about the development of the PC-9.

If the Operational Flying

Board is any guide, the experi-mental flights of three prototypes is going on. This has been spurred perhaps partly by the possibility (albeit remote, though the interest has been there for some time) of landing a larger RAF contract. The RAF has complained that the PC-7 is not quite fast enough for horizontal low-level training as a replacement for the New customers are being British Aerospace Jet Provost. sought in the Middle and Far A replacements for the current



Pilatus PC-7 Turbo trainers of the Swiss Air Force on a formation sortie

helicopters.

In the early years after the war, it was the development of the P-2 and P-3 trainers which

brokers' overseas subsidiarles. All four security houses are associated with major industrial

Big gains for Japan's securities houses

nological or political reasons, Controversy has also been raised by the fact that aircraft for Guatemala and Iran have orders to keep them busy. They brought in the money. Of the produce not just the versatile former, 54 were sold, and of land for an attack role.

PC-7 but also the immensely the latter 80. But in between Those planning the future of

Venoms, Hawker Hunters and East, although there is reluct-French Dassault Mirage-3s to ance in some areas to enter into made engine and some altera-Aerospatiale (France) Alouette licence agreements, for tech- tion in the wing angle could produce a new model - the PC-9 - which would keep Pilatus well up with competition, and well placed for sales and exports in an internationally Those planning the future of crowded market.

## Sale on futures market mitigates loss on physical goods

GEBRUDER METELMANN GmbH & CO RG v NBR (LONDON) LIMITED

Terminal transactions involved

A trader wishing to hedge

which could adversely affect bis future dealings on the physical market made a matching sale or

a resale on the physical market. The general rule was that where a contract for the sale

sale on the terminal market.

There was uncontradicted evidence that on a failing market in circumstances such as occurred when NBR repudiated

Court of Appeal (Sir John Donaldson, Master of the Rolls, Lord Justice Dunn and Lord Justice Browne-Wilkinson): January 20 1984

WHERE A commodity can be sold in its physical form or alternatively on a futures market, a seller who seeks to mitigate his loss under a repudiated contract for sale of physical goods may resell on the futures market if to do so would be reasonable in the circumstances existing at the date of repudiation.

The Court of Appeal so held when dismissing an appeal by NBR (London) Ltd., buyers, and NBK (London) Ltd., buyers, and allowing a cross appeal by Gebruder Metelmann GmbH & Co. KG, sellers, from an assessment of damages made by Mr Justice Mustill in respect of NBR's repudiation of a contract for the sale of signr. for the sale of sugar.

SIR JOHN DONALDSON said that Metelmann alleged before Mr Justice Mustill that NBR had agreed to buy 2,000 metric tons of sugar at \$803 per metric ton, for shipment in January 1981, and that in the January NBR had repudiated the contract.

The liability issue went against NBR, but there was also an issue as to the quantum of damages to which Metelmann was entitled.

Mr Justice Mustill assessed damages at \$246,000. NBR appealed, contending that the figure was too high. Metelmann contended it was too low.

Metelmann had seen the effect of repudiation as creating a "long position," taking account not only of January commitments, but also of those in subse-

It took immediate action on January 21, following accept-ance of the repudiation, by selfing 2,500 tons of sugar on the Paris terminal market for the May position at \$673 per metric ton.

ing 2,500 tons of sugar on the Paris terminal market for the May position at \$673 per metric ton.

Mr Justice Mustill rejected Metelmann's submission that the true measure of damages was the difference between the contract price and the January 21 price and the January 22 price and the January 2 Metelmann's submission that the true measure of damages was the difference between the contract price and the January 21 price of \$673.

The measure of damages which the judge adopted involved estimating the market price of 2,000 tons of sugar on the last trading day of the contract period, namely January 30 1981, for delivery at a later date on a prompt basis.

prompt basis.

He found that the sugar evidence that on a failing market had been in rapid in circumstances such as decline for several weeks before January 21. From time to time its contract, any sugar trader ware brief recoveries, but would at once turn to the terminal market as being a sophismal market as being a sophismal market as arrest. there were brief recoveries, but the overall trend was consistently minal market as being a sophisticated tool designed to arrest losses. That was what

price at the end of January, and Metelmann did.

Mr Mance for NBR submitted Mr Justice Mustill said that a that there was an obligation on Metelmann to mitigate its an effective measure of protecdamage by reselling on the tion produced a practical result

physical market within a few days of January 21. In his submission Metelmann could and should then have realised a figure in excess of \$580 per ton and the damages should have been based on that higher figure.

In the sugar trade there was a distinction between the "physical source of loss.

None of these conditions A contract of insurance would be disregarded in assessing damages and so, it was said, should a transaction on the terminal market.

The answer to that was that a contract of insurance would be disregarded in assessing damages and so, it was said, should a transaction on the terminal market.

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The answer to that was that a contract of insurance would be disregarded in assessing damages and so, it was said, should a transaction on the terminal transaction tran

In the sugar trade there was a distinction between the "physical" market and the "terminal" markets. The physical market was the totality of sales and purchases of sugar otherwise than on the terminal markets.

There were terminal markets.

There were terminal markets. on the terminal markets.

There were terminal markets in Paris and London. They provided traders with a mechanism which enabled them more or less to insulate themselves from changes in market values. was not related to any resale of physical goods and did not serve to mitigate any real loss suffered by Metelmann.

His Lordship took a different view. As a result of NBR's default, Metelmann was left long to the extent of 2,000 tons of sugar on a falling market.
Whether it was in possession of
that sugar or had merely entered
into a contract to purchase it
was immaterial. The reasonably
anticipated dealing in 50 ton lots of a standard grade of sugar on standard terms as to delivery at various standardised future periods. Prices moved broadly was immaterial. The reasonably anticipated consequence was that its losses would increase day by day, subject to minor unpredictable and short-lived in line with physical market prices, although not necessarily at quite the same level. upward movements in the price.

Its duty was to take all reasonable measures to prevent that increase in loss. In a less sophisticated market the only available measure would have been to conclude another contract for sale as soon as possible at the best price obtainable. purchase on the terminal market and closed the transaction with a subsequent purchase or sale when he concluded his contract on the physical market.

physical market.

NBR submitted that terminal market dealings were irrelevant to the assessment of damages, and that there should have been a resale on the physical market.

The according to the best price obtainable.

However, the sugar market provided the alternative of selling on the terminal market. On the evidence that was what any reasonable trader would have done, since it is the physical market. any reasonable trader would have done, since it involved no delay. The sole question was whether, given the duty to take steps to limit its losses, what Metelmann did represented a reasonable course of action in the circumstances as they existed.

The evidence was all one way.

of goods was repudiated and the repudiation was accepted before the date for delivery, damages were assessed on the basis of the difference between the It was only with the benefit of hindsight, and knowledge of a short-lived rally in prices at the end of January, that the alternative of a sale in the physical market appeared viable and even attractive. attractive.
Accordingly, Metelmann was

The duty of the claimant was to act reasonably in all the cirentitled to damages based on the difference between the contract cumstances with a view to mitigating his loss. Metelmann recognised that, but took the view that the reasonable course price of \$803 and the terminal market price of \$673.

NBR submitted that a terminal sale was akin to taking out an insurance policy against losses. to adopt was not to seek an immediate sale on the physical market, but to effect a hedging

contract of insurance and a transaction on the terminal market might have similar objectives in view, but they were essentially different in character. An insurance policy against continuing market losses, if obtainable, would be wholly ineffective in law in mitigating Metelmann's losses, since the underwriters would be subrogated to Metelmann.

NBR also submitted that Metelmann's profits on the terminal market sale must be brought into account.

In practice and in law they were not brought into account, because Metelmann, having chosen to resort to the terminal of eliminating losses. must accept the price for the terminal sale as fixing the loss.

Mr Justice Mustill's pudgment should be varied by increasing the damages to \$250,000, being the difference between the contract price of \$503 per metric ton and the terminal market sale price of \$673 per metric ton, applied to 2,000 tons.

LORD JUSTICE BROWNE-WILKINSON, agreeing, said that Mr Mance suggested that steps taken in mitigation must be reasonable in the interests of both parties, and the sale on January 21 was not reasonable in the interests of NBR.

His Lordship disagreed. The matter must be judged in the light of the circumstances known on January 21. The sale effected on that date limited the loss on a generally falling market, and that was as much in the interests of NBR as of Metelmann. Lord Justice Dunn also agreed. Appeal dismissed and cross

appeal allowed. Specia allowed.

For Metelmann: Jonathan
Sumption (Coward Chance).

For NBR: Jonathan Mance QC
(Gentle Mathias and Co).

By Rachel Davies

#### INVEST IN 50,000 BETTER TOMORROWS!

50,000 people in the United Kingdom suffer from prograssively paralysing MULTIPLE SCLEROSIS — the cease and cure of which are still unknown — HELP US BRING THEM RELIEF AND HOPE.



#### John D. and Catherine T. MacArthur Foundation

has sold its

New York commercial real estate properties

to an affiliate of

#### First Winthrop Corporation

We initiated this transaction, served as financial advisers to John D. and Catherine T. MacArthur Foundation and assisted in the negotiations.

LAZARD FRERES & CO. A.G.BECKER PARIBAS

January 1984

## Bank of Ireland

U.S.\$75,000,000 Floating Rate Capital Notes 1992

In accordance with the provisions of the Notes notice is hereby given that for the six months interest period from 25th January, 1984 to 25th July, 1984 the Notes will carry an Interest Rate of 105/16% per annum. The interest payable on the relevant interest payment date, 25th July, 1984 against Coupon No. 4 will be U.S. \$521.35.

By Morgan Guaranty Trust Company of New York, London Agent Bank

Series 010

#### U.S.\$42,000,000

Short-term guaranteed Notes issued in Series under a Ü.S.\$280,000,000 Note Purchase Facility

#### Mount Isa Mines (Coal Finance) Limited

Notice is hereby given that the above Series of Notes issued under a Production Loan and Credit Agreement dated 30th March, 1983, carry an Interest Rate of 913 per annum. The Issue Date of the above Series of Notes is 26th January, 1984, and the Maturity Date will be 26th July, 1984. The Euro-clear reference number for this Series is 7246 and the CEDEL reference number is 570800. Manufacturers Hanover Limited Issue Agent

25th January, 1984.

#### result profits for the year to September. Earlier the four had reported Nikko with Mitsubis their parent company results. These gave Nomura a net profit with Sumitomo, and with Fuyo (the group of Y47.1bn (up by 47.3 per cent), Nikko Y21.1bn (up by 44.6 per cent), Daiwa Y21.1bn (up by 55.4 per cent) and Yamaichi Y17.2bn (up by 35.3

	dots incresses in componenten	Wandrer with the lat maining							
3	profits for the year to September.  Earlier the four had reported their parent company results.	and business groupings in Japan, Nomura with Mitsui, Nikko with Mitsubishi, Daiwa with Sumitomo, and Yamaichi			Consolidate or year to Se			London	operations
-	These gave Nomura a net profit	with Fuyo (the grouping around		net	•			net	
-	of Y47.1bn (up by 47.3 per	Fuji Bank).		profits	percentage	sales	percentage	profits	percentage
;	cent), Nikko Y21.1bn (up by	With London an important		Ybn	rise	Ybn	rise	Ybn	rise
:	44.6 per cent), Daiwa Y21.1bn	centre for their activities, all	Nomura	55.6	42.3	366	39.8	2.88	4.2
;	(up by 55.4 per cent) and Yamaichi Y17.2bn (up by 35.3	four have also reported details of their subsidiaries' activities	Nikko	25.0	n.a.*	188	0.4.*	2.75	431.9
	per cent).	here. These illustrate the rapid	Daiwa	25.0	71.8	209	28.8	2.26	139.8
	The consolidated results differ	progress being made by Nikko	Yamaichi	3.8	40.0	176	19.6	0.25	201.2
•	from those of the parent com- panies primarily by the inclu- sion of contributions from the	in London to challenge Nomura, in terms of both net profits and capital market issues.	* Comparison presented consoli			this	was the	first y	ear Nikko

RESULTS OF THE BIG FOUR

ent is neither an offer to sell nor a solicitation of an offer to buy these securities,



\$200,000,000

#### American Medical International, Inc.

\$100,000,000 12¼% Notes due January 15, 1994 \$100,000,000 12%% Debentures due January 15, 2014 Interest Payable on January 15 and July 15

Dean Witter Reynolds Inc.

A. G. Becker Paribas

Goldman, Sachs & Co.

Bear, Stearns & Co. Blyth Eastman Paine Webber Alex. Brown & Sons Dillon, Read & Co. Inc.

Donaldson, Lufkin & Jenrette Kidder, Peabody & Co. Lazard Frères & Co. Prudential-Bache L.F. Rothschild, Unterberg, Towhin Smith Barney, Harris Upham & Co.

Drexel Burnham Lambert

Wertheim & Co., Inc.

Moseley, Hallgarten, Estabrook & Weeden Inc.

J. C. Bradford & Co.

Shearson/American Express Inc.

F. Eberstadt & Co., Inc.

A. G. Edwards & Sons, Inc.

E. F. Hutton & Company Inc.

Oppenheimer & Co., Inc. Montgomery Securities

January 25, 1984

Thomson McKinnon Securities Inc.

### Microgen **jumps 57%** -to seek full listing

profits from £589,000 to £926,000 is reported by Microgen Holdings for the year ended October 31 1983. The company, which joined the Unlisted Securities Market a year ago, has also announced that it intends to seek a full listing.
Mr Patrick Barbour, the chairman, says a 27 per cent rise in turnover to £3.51m (£2.76m) and

a major productivity drive has produced a significant improvement in margins and profits.

Earnings per 10p share, adjusted on a weighted average basis to reflect the new shares issued for the acquisition of Systemset, rose by 22 per cent from 12.1p to 14.8p on actual tax. A final dividend of 4p net makes a total for the year of 6p. against a notional 4p indicated in the January 1983 prospectus. After a more than doubled tax charge of £491,000 (£235,000) and enarge of 229,000 (2255,007) and extraordinary charges this time of £152,000—being placing and acquisition costs—net attributable profits were down by £71,000 at £283,000. Dividends absorb

£188,000. The chairman says more effi-cient use of equipment has led to the postponement of new capital purchases, with a con-sequent rise in the tax charge.

sequent rise in the tax charge. However, it has also improved group cash balances from £352,000 to £423,000 after repayment of all hire purchase loans and extraordinary charges, together amounting to £458,000. This year the company looks forward to a continuing growth from Computer Output Microfilm and a substantial contribution from the computer-aided tion from the computer-aided phototypesetting business of

#### comment

Microgen is gravitating to the full market in double quick time but it already has the spread of holders to warrant such elevaof holders to warrant such elevation—35 per cent is in outside
hands—even if the Spread is
tightly held and the share price
knee-jerks as a result. That presumably will not change after
joining the Official List—leastways until a few more shares
are fed into the market. That
event may not be that far away.
Microgen has made little secret
of its ambition to expand by
acquisition in its mainstream
area. The Systemset purchase
was not in that category, even
though its profits should be worth was not in that category, even though its profits should be worth £350,000 or so this year pushing the group to the £1½m mark without much difficulty. As for the next acquisition, the most likely candidate, but not the only one, is National Westminster's computer output microfilm operation—the same basic business as Microgen. Nat West's subsidiary is similar in terms of turnover is similar in terms of turnover Microgen's seven, twice as many machines and 30 per cent more people. The opportunities are obvious. Also Nat West is operational in Scotland—totally unrepresented as far as Microgen is concerned. Meantime the historic p/e of 31 at 485p is a function of "high-tech" and extremely thin marketability.

#### Leda Investment

At the end of 1983, net asset value per 5p capital share of Leda Investment Trust had increased from 100.7p to 136p. Net revenue for 1983, however, slipped from £250,000 to £243,000 after tax of £115,000 (£119,000) and earnings per 20p income share were lower at 4.87p, against 5.02p. Gross nue dropped by £12,000 to

As forecast, a second interim dividend, in lieu of final, of 3.01p makes a total payment of 5.04p (4.76p) net.

Authorised

£250,000

cations service.

25th January, 1984

VALIN POLLEN INTERNATIONAL

PLC is the holding company for a

relations consultancy offering a

financial and corporate advertising

comprehensive corporate communi-

agency and integrated press and public

Application has been made to the

Council of The Stock Exchange for the

INTERNATIONAL PLC issued and now

being issued in the Unlisted Securities

Market. It is emphasised that no appli-

grant of permission to deal in the

cation has been made for these securities to be admitted to listing.

ordinary shares of VALIN POLLEN

## Lower interest lifts Rank to £69m

taxable profits picked up to 169.3m for the year ended October 31 1983. This is compared with £62m for the previous year and £102.76m and £110m for

the two preceding years.

Turnover for 1982-83 of this films and television, hotels and holiday group expanded from 1682.2m to 1742.9m and the dividend is stepped up to 10p (8p) net with a final distribution up 2.8p at 6p.

The directors say that trading in the opening part of the current year indicates an improvement in the manayed businesses, and in the manayed businesses, and increases are expected in the profitability of the associates. With the continuing reorganisation of the group's activities, they say that this year should be one of improved performance.

Trading profits amounted to £38.2m, against £33.2m and while other associate companies' contribution was £4.5m £56.6m), the company's share of Rank Xerox company's share of Rank Xerox profits were £52.2m, down from

Total Xerox profit was The major items contributing aspects of our business."
£165.9m, compared with £179.1m. to the extraordinary items were Mr Gifford stated that

directors say the 12 per cent reduction in profits reflect the competitive pressure on selling prices which prevented the recovery of inflation in costs. Copy volume in the copier and duplicator business was restricted, they point out, by economic conditions to a growth of nomic conditions to a growth of 5 mer cent.

Rank continued to close, divest or plan for discontinuation of or plan for discontinuation of operations, where satisfactory profits are unlikely to be achieved. This process, which the directors say is essential for the future prosperity of the group, resulted in extraordinary debits of £25.4m (£23.2m).

After tax, £37.8m (£32.7m), minority interests, £2m (£2.1m) and these extraordinary items, the attributable balance came through just ahead at £4.1m.

the attributable balance came through just ahead at £4.1m, compared with £4m.
Earnings per 25p share at the year end were 14.3p (13.2p), before the extraordinary items. Net tangible assets per share were unchanged at 236p.

Rank-Nec and the security and air-conditioning operations in Australia.

Provision has been made for a

planned rationalisation of the group's small holiday and boating centres, restaurant and catering centres, restaurant and catering facilities in the UK, and the content selected activities in facilities in Australia plus the sale of the content and the The group is negotiating the disposal of its 13 cinemas in Holland to the Cannon Group. In the UK however, Rank had a good year with a 10 per cent

increase in attendances at its 79 Mr Michael Gifford, chief executive, said later than the £25.4m extraordinary items covered all rationalisation moves made or decided on so far, and that these moves would generate the transfer of the said of t cash this year. He added that no decisions had been taken on further rationalisation moves, but "we are obviously looking with great diligence at all the

DESPITE lower profits from It included an exchange gain of the closure of two holiday currency changes meant total Rank Xerox, the copier, duplicator associates, Rank Grganisation benefited from a £9.3m (£27.1m).

The reduction in interest charges and taxable profits picked up to directors say the 12 per cent Media in North America; and the security and the average volume of some fail in the closure of two holiday currency changes meant total borrowings, at the year end, would show an increase when the accounts came out. But the Scherr-Tumico and Rank Electromain reason for the drop in the closure of two holiday currency changes meant total borrowings, at the year end, would show an increase when the accounts came out. But the Scherr-Tumico and Rank Electromain reason for the drop in the average volume of some fail in the accounts came out. But the main reason for the drop in the accounts came out. But the main reason for the drop in the average volume of some fail in the closure of two holiday currency changes meant total borrowings. interest charges was a fall in the average volume of coney borrowed, with lower interest rates also helping.

Turnover of subsidiary Rank Precision Industries moved ahead to £56.39m. taxable profits slipped £36.13m, compared with

Trading surplus was ahead at £6.29m (£4.78m), and although interest charges were lower at £3.73m (£4.1m), the contribution from associate companies was reduced at 526.12m (£28.56m).

After tax, minorities and extraordinary items, the attributable figure came through behind at £17.45m (£20.45m).

Another subsidiary, A. Kershaw and Sons, reports lower revestment income of £4.37m against £4.75m after all charges. Tax was £206,345 (£403,637) and earnings per share were 11.91p (12.43p). A final dividend of 11p ner makes

## Macarthys up at £1.9m despite NHS cuts

end of October 1983. This was despite a cut of more than £200,000 in pharmaceutical profits due to drug price reductions by the NHS.

The net interim dividend has been held at 2p net. Mr Alan Ritchie, chairman, expects second half profits to be broadly in line with those of the last second half. In the last full year a total dividend of 7p was paid from Gretax profits of £4.06m. First half turnover of this wholesale and retail chemist moved shead from £128.92m to £139.99m.

Earnings per 20p share rose from 8.3p to 9.7p.

During the second half Mr
Ritchie anticipates satisfactory
results from most divisions. He

AN INCREASE in pre-tax profits distribution area remains diffi-from £1.67m to £1.88m has been cult, as it is subject to possible shown by Macarthys Pharmaceu-ticals for the six months to the ment of Health. The Department introduced lower drug prices

introduced lower drug prices last August.

Significant profit improvements were achieved in surgical and veterinary divisions, says Mr Ritchie, while returns from pharmaceutical manufacturing, distribution and retailing were virtually unchanged. Mr Ritchie points out that these businesses were all affected adversely by the DOH reduction in drug prices. DOH reduction in drug prices.

Additional reductions from MHS remunerations are not likely to have as serious an effect on Savory & Moore as previously envisaged, says Mr Ritchie.

Tax amounted to £586,000 (£571,000). After preference dividends of £14,000 (same) and minority interests of £7000 the Ritchie anticipates satisfactory minority interests of £2,000 the results from most divisions. He available balance came through says that the pharmaceutical ahead from £1.09m to £1.25m.

turnover by division shows: pharmaceutical manufacturing £269,000 (£267,000) and £2.84m £268,000 (£267,000) and £2.54m (£2.63m); pharmaceutical distri-bution £1.06m (£1.08m) and £111.76m (£104.5m); surgical £396,000 (£320,00) and £10.81m (£3.66m); retailing £309,000 (£300,000) and £12.44m (£11.43m); veterinary £314,000 (£207,000) and £9.71m (£8.17m). Sales between divisions took £7.58m (£6.48m), and group man-

agement costs fell from £278,000 to £229,000. Staff bonus came to £242,000 (£219,000). Not surprisingly, margins in Macarthys' drug related activi-ties have continued to tighten under the twin pressures of last summer's drug price reductions. That puts the shares, up 4p to—which produced a £75,000 142p, on a multiple of 6, assumstock loss—and steadily ining a 30 per cent tax charge.

creasing competition from cheap parallel imports. The latter, how-ever, will be dampened by legislation due in May and in the meantime volumes are rising in all three drug divisions. Indeed, the group will spend £1m over the group will spend film over the next nine months on plant to increase production capacity by up to 50 per cent. The group profit increase was led by the veterinary division, where earnings were up by 52 per cent. Cost savings were achieved through depot closures and sales were driven about hy the through depot closures and saves were driven ahead by the steeply rising cost of animals which has made the treatment of disease more cost effective for farmers. The directors say second half profits will be second half profits will be broadly in line with the com-parable period, implying a full-year out-turn of f4.3m pre-tax.

#### Xyllyx plans placing on USM next month

BY ALISON HOGAN

A COMPANY with the distinctive orders. Interested potential name of Xylyx is hoping to customers include the Swedish follow such venture companies as Bio-Isolates and Metal Sciences telecommunications supplier. on to the USM in early February to raise funds to launch its two viewdata products, Infobox and

Infoeditor.

The Infobox is a coin or card operated terminal which can be placed in public places to allow the general public access to viewdata systems, such as Prestel, Datastream or the Skytrack international airline ticket reservations.

vation system.

Xyllyx likens the development of Infobox to the development of of introduct to the development of coin-operated telephone boxes. Just as the public phone allows the public access to the telephone system without paying for a private phone, so Infobox will bring access to viewdata systems without the need to register or buy special equipment.
Infoeditor is a microcomputer

which can simplify commands to a viewdata computer by reducing a series of complex steps to the a series of complex steps to the press of a single key.

Anglo Dutch and Kemp, expresses he must be made and many states of 3.5m shares out of 20m, to cult current raise around £2m for further He sees nor R and D, and to meet the capital dend payal requirements and administrative expenses arising from expected at 1.5p net.

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of 685,000 ordinary shares of 5p each at 110p per share

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of 5p each

It is a high risk business and will come surrounded by wealth warnings. Projections of sales and net profits are provided rather than forecasts and Xyllyx cannot guarantee that competi-tors will not pitch in with a similar or better product. Xylix will be a difficult issue to price but a market capitalisation

of from £10m to £12m is looked

#### F. Copson

AN INCREASE in turnover of 5.5 per cent and in pre-tax profit of 11.3 per cent is reported by F. Copson, the Birmingham-based supplier of heating equipment and builders materials, for the six months ended October 31

Group turnover was £3.37m (£3.19m) and pre-tax profit Mr F. Copson, chairman, expresses his satisfaction with the results in spite of the difficult current trading conditions. He sees no reason why the dividend dend payable on the year's results should not be maintained

> Issued and now being issued fully paid

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A proportion of the shares being

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POLLEN INTERNATIONAL PLC are

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1984 from:-

## Valin Pollen valued at £4.6m by USM placing

HERALDED BY a glossy picturepacked prospectus, Valin Pollen,
advertising and public relations
agency, makes its USM debut.
Stockbrokers James Capel have
placed 16.2 per cent of the
equity at 110p a share, valuing
the company at \$4.6m.

Dividend entitlements will be the company at £4.6m.
Of the 685,000 shares being

by the directors with 217,646 representing new money for the company.

The agency, which specialises in corporate and financial work, was started by Mr Reg Valin

was started by Mr Reg Valin and Mr Richard Pollen in 1979 after they left Charles Barker. Turnover has grown from £821,000 for the year ended September 1980 to £8.25m for 1982-83. Over the same period profits before tax have increased from £6,000 to £275,000.
The directors are forecasting

that turnover for the current year will reach flam and profits will be not less than £425.000. being launched on a fully taxed came fr prospective p/e of 24.9, or 22.6 companies.

waived by all the directors for that year in respect of their 56.3 per cent beneficial holdir company. Valin Pollen is only the

second advertising agency to join the USM, some, like Szatchi and Szatchi, hold full quote

In making this step the directors say that one of their reasons was to enable them to consider more seriously the possibilities of establishing offices in other key financial centres overseas. The U.S. is probably the most extractive probably the most attractive market for the group to go after.

rill be not less than £425,000. During the last full year about On that basis the company is 30 per cent of group billings eing launched on a fully taxed came from overseus-based

#### Finnish shipbuilder to seek London listing

announced yesterday that it is to apply later this year for a listing on the London stock

Finnish company to seek a London listing. It is already listed in Helsinki and Stockholm, where a successful issue took place last spring.

The company also announced that it is to make a one-for-three rights issue today to existing shareholders to raise FMk 180m

Oy Wartsila Ab. of Finland, one company with exports and over-of the world's leading ship-builders and producers of 85 per cent of sales and with 13 medium-speed diesel engines, of its 35 production plants company with exports and over-seas production accounting for 85 per cent of sales and with 13 of its 35 production plants situated outside Finland. Morgan Grenfell and Enskilda isting on the London stock Securities have been appointed market.

Wartsilä will be the first further equity issue via a Finnish company to seek a placing to institutions which the London listing. It is already group plans to make at the same

Around half of Wartsila's sales come from shipbuilding, where it specialises in ice-breakers and cruise liners. Since 1970 the groun has built about 1970, the group has built about one-third of the world's cruise shareholders to raise FMk 180m (£21.6m).

Turnover has grown from FMk 1.9bn in 1979 to more than FMk 3.8bn in 1982. Sales increased by almost 40 per cent in the year to December 1983 and other activities include the manufacture of wood processing and other machinery for the period are expected to have risen from FMk 284m in porcelain, locking devices and security systems and household porcelain, glass and enamelware listing was a natural step for a

#### Trent ahead to £195,000

ADDITIONAL enabled Trent Holdings, maker of specialist doors, to lift pre-tax profits to a record £195,019 for absorbed £24,063 (£18,228) and the six months to September 30 the six months the six months to September 30 the six months th Turnover was marginally up from £1.59m to £1.6m, giving a trading profit before interest of £209.706, against £170,759. Mr Geoffrey Simon, chairman, says the new machinery reduced the work placed with sub-contractors for production of Leaderflush special doors and door sets.

Mr Simon adds that the company has concentrated on production of high added value products and that profit margins have improved accordingly.

The interim dividend is effective and for the company's security and fire-resistant doors the company security and fire-resistant doors the company's security and fire-resistant doors the company of the company's security and fire-resistant doors the company of the company's security and fire-resistant doors the company of the company security and fire-resistant doors the company of the company security and fire-resistant doors the company of the company's security and fire-resistant doors the fire-resistant doors the company's security and fire-resistant doors the fire

MACHINERY charge was £32,500 (£24,500)

duction of high added value products and that profit margins capital of Parker, Winder & have improved accordingly.

The interim dividend is effectively raised by 25 per cent per 10p share to 0.35p net from 0.28p, after adjusting for a two-for-one scrip in Last year's final payment was 0.42p after planning consent for industrial development was completed in the uncertainty in the underlying assets.

LADBROKE INDEX 1821-826 (+11)

development, was completed in October and building is due to Interest in the first half took October and building 114,686, against £18,774. The tax begin in February.

### **Somportex** gets boost from Slush Puppie side

BETTER MARGINS and reduced overheads in its Slush Puppie division enabled Somportex Holdings to lift its pre-tax profils from £107,000 to £465,000 for the six-month period to end-October 1983.

Like last year, there will be a loss in the second half and the directors say it is still too early to predict whether the group will end the year in profit. Last time second half losses

Last time second haif losses totalled £503,000 and overall, there was a substantial reduction in sales of Slush products. The dividend for the year was cut by 0.5p to 1p per 25p share. Group turnover for the opening period of the current year was little changed at £3.39m, compared with £3.39m. Confectionery turnover was maintained at the previous year's level but adequate margins were level but adequate margins were still difficult to obtain—Sompor-tex also has interests in groceries and delicatessen products.

Every effort is being made to further reduce overheads and increase sales.

Tax took £249,000 to leave earn; so of £219,000 (£107,000), equal to 7,82p (3,82p) per share. No tax was charged for the previous half year in view of the substantial losses projected for the full year. In his last statement the chairman foreshadowed a "sub-stantial improvement this year over the very disappointing figures of the previous year."

#### comment

Tentative signs of an upturn at Somportex were sufficient to add Somportex were sufficient to add a few pence to the share price yesterday. Having chopped away at the overheads of the Slush Puppie iced drinks business and pushed up the retail price by 2p to 18p, the company should make a small profit for the full year. Still that is a far cry from the halcyon days when Slush Puppie was at the peak of its novelty value. Those times are unlikely to ever return and the strength of the dollar means that, for the present at least, sales of new present at least, sales of new Slush Puppie machines imported from the States have ground to a halt. Meantime confectionery margins are wafer thin. Share-holders who have lived through the rise and fall of Somporter's share price on the back of the iced drinks craze must be wondering what happens next, espe-cially as some senior executives, including half the board, have made an exit over the last 18 months or so. The price of 41n yesterday compares to a 1981 peak of 255p.

#### Home Farm

Profits from Home Farm Products fell by £40,000 to £510,000 in the 26 weeks ended November 16 1983, and the figure for the second half is not expected to be materially different from that now reported. The interim dividend is held at 1.15p net.

Turnover of the group, whose main activity is the processing of pigs into a varied range of bacon and pork products, declined from f12.74m to f11.39m. Tax provided is £265,000 (£286,000) but vided is 2.205,000 (2.205,000) out the actual amount payable will be less as capital expenditure has continued at a high level in the period. Earnings are 5.32p (5.74p) per share.

For the year 1982-83 the group made a pre-tax profit of just over Fim and paid a total dividend of 3.25p.

#### McKay Securities

Profits of some £2.18m are forecast for the year ending March 31 1984 by McKay Securities, compared with £1.86m attained in the previous term. The interim dividend is lifted from 1.65p to 1.9p net—last time the final was 1.75p.

Gross rents and service charges receivable by this property investment and development group for the first half advanced from £1.59m to £1.92m. Including share of associates the profit before tax rose from £883,000 to £1.09m, and at this stage the directors expect results for the second half to be "no less favourable."

After tax of £547,000 (£447,000) and interest and outgoings on properties in development, after tax relief, £133,000 (£137,000). the net profit came £410,000 (£299,000).

#### Scottish Equitable

Unchanged reversionary bonus rates for 1983 have been declared by the Scottish Equitable Life Assurance Society. Thus on its flexible endowments, Flexplan and Semflex, the rate remains at E5 per cent of the sum assured and attaching bonuses, while on most individual pension contracts it remains at £5.50 per cent of the basic benefit and attaching bonuses.

The terminal bonus rate on claims in 1984 is lifted substantially from 35 per cent to 60 per cent of attaching bonuses on most policies, and from 60 per cent to 85 per cent on the individual pension contracts. The Society has revised the bonus system under its flexible contract REFLEX. The bonus

will be paid in two parts—an income bonus reflecting investment revenues earned by the

821-826 (+11) Based on FT Index Tel: 01-493 5261

## Oppenheimer helps Mercantile House to £30.5m at halfway

PRETAX profits of Mercantile House Holdings, the inter-national financial services national financial sorvices group, improved from £13.66m to £30.47m in the six months to October 31, 1983, including a full first half contribution from Oppenheumer Holdings Inc of the U.S. which was acquired in August 1982. The comparable period contained only 6 weeks results from this source.

Undiluted group first half earnings per 25p share rose to 21.5p (12.87p) and fully diluted they were 19.98p (12.6p). The net interim dividend is effectively raised from 2.5p to 3.75p, partly in order to reduce disparity with the final payment which last year was equivalent to 7.5p on profits of £44.72m.

Sales at mid-term almost

to 7.5p on profits of £44.72m.
Sales at mid-term almost
trebled from £75.24m to
£206.33m. Profits were subject to
tax of £15.24m (£6.55m) and the
net balance came through £8.72m
higher at £15.24m. Preference
dividends took £770,000
(£335,000) from this and the
ordinary £2.52m (£1.68m), leaving £11.94m (£4.5m) retained.

conditions which prevaled is the second half of last year. However, the group's increasing spread of business here is show-ing an underlying pattern of growth.

U.S. fixed interest broking again produced considerably higher profits and fund management continues to expand steadily, Mr Barkshire adds.

Mercantile's big plungs into Wall Street equity broking—buying Opponheimer just at the outset of the stock market surge—gave a boost to group profits which was inevitably hard to follow. The supernormal profits which Oppenheimer contributed on very heavy Wall Street volume in the second half left year have not hear repeated in the first in the second half last year have not been repeated in the first six months this time, and the impact has been sufficient to drop group pre-tax profits by \$1.2m. Everything else in Mer-cantile is moving ahead—even the Life operation which started of an investmally on the warms (£335,000) from this and the ordinary £2.52m (£1.68m), leaving £11.94m (£4.5m) retained.

Mr John Barkshire, chairman, describes first half results as satisfactory, particularly as trading conditions have been less favourable in some of the markets in which the group operates.

Of individual divisions, he says money broking turbover grew and profits were ahead. Commodity broking continues to make satisfactory progress, while stockbroking and trading, as expected, produced lower profits than in the "boom" the Life operation which started off so irozically on the wrong foot—and there seems no reason why Mercantile so all should fall short of £60m for the year, suggesting a multiple of about 10) times and there seems no reason which so irozically on the year, suggesting a multiple of about 10) times are will be for some while to come, how fixely on the move—if any—for some while to come, how fixely on the move—if any—for some while storage still be for some while storage still be log continued on the lovel of philosophy, rather than action.

# Meggitt near break-even:

of Flight Refuelling to join Meggitt as managing and finance

director respectively.

In the preliminary statement it is shown that the sale of certain properties, together with the decrease in machine tool stocks, has resulted in a "significant reduction" in the overdraft.

Mr J. D. Tyler, chairman, says the extent of the recovery in the engineering industry "remains difficult to predict" but, as a result of continuing

Sound basis' for growth

IN THE closing months of its year ended October 31 1983 the group, moved towards a break-even position and, taking into account all factors, the directors are confident that there is "a sound basis for the development of the group."

For 1982-83 the group cut its loss from £379,000 to £181,000, equal to 4.1p (8.5p) per share after a tax credit of £5.000 (£8.000). A loss not exceeding £185,000 was intimated towards the end of last year in the announcement that Investors in Industry (31) and Mr K. H. Coates and Mr H. N. McCorkell had taken a stake in Meggitt, and were making a rights issue to raise some £1.2m net.

Their aim is to take the group into the electronics and energy markets. Mr Coates and Mr.

into the electronics and energy markets. Mr Contes and Mr is showing signs of revival, with McCorkell will leave the board the reduction in machine tool stocks being a healthy sign of a return to normal trade prices. and it looks as if Megglit in its present form might break even this year. But Messrs Coates and McCorkell made it plain from the outset that they were primarily interested in using the company as a springboard for acquisitions. There are no firm overdraft.

Mr J. D. Tyler, chairman, says the extent of the recovery in the engineering industry "remains difficult to predict" but, as a result of continuing attention to costs, the cut in overdraft, the rights issue and acquisitions. There are no firm plans yet, but the strategy is to acquire initially in the energy area—where Meggitt has a footheid already—and proceed from the term of form an industrial holding company. The shares fell Ip yesterday, to 55p.

Texas

#### DIVIDENDS ANNOUNCED

	turrent Ryment		lorre- onding div.	Total for year	Total last year	
Courtsint	1.75†	April 9	1.75	_	4.7	
Dom Holdingsint.	1.73	March 2	1.48	<b>—</b> .	4.28	
Glass Glover	1.88	_	1.88	3.13-		
A. Kershaw	11	. —	9	15	15	
Leds Invest, sec. int.	3.01		3.29	5.04	4.76	
Macarthysint.	2	April 6	2		7	•
McKay Securitiesint.	1.9	March 20	1.65		3.4	
Mercantile Houseint.	3.75	March 12	2.5*	-	10"	
Microgen Holdings	4‡	April 9		6 ·		
Rank Org	6		3.2	10	S	
J. Saville Gordonint.	1.1	April 3	1		3.38	
SEETint	1.1	March 5	1		3.5	
Trent Holdingsint.	0.35	March 30	0.28*		0.7*	
Dividends shown pence pe	er share	net except	where	otherwi	se state	đ.

Granville & Co. Limited

\*Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted companies.

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Over-the-Counter Market Gross Yield

ı			Company	Luce	cusude	aiv.(b)		. Actuel	10 . O.
ľ	142	120	ASS. BILL IND. DIG	725	-	6.4	5.1	7.3	9.5
•	156	117	Ass. Brit. Ind. CULS	· 139	+ 2	10.0	7.3	_	_
l	78	62	Airsprung Group	75	- 1	6.1	8.1	21.4	21.4
[	38	21	Armitage & Rhodes	28	***	_	_	_	-
	300	1417	Berden Hitt	300	_	72	2.4	12.2	24.9
į	54	53	Bray Technologies	54	-	2.7	50	9.7	10.6
	200	198	CCL Ordinary	198		5.0	2.5	4.5	6.3
Į.	151	121	CCL 11pc Conv. Pret	147	_		10.7		
ľ	210	100	Carborundum Abresives	210	÷10	5.7	2.7		_
	249	100	Cindigo Group	103			17.0	_	_
l .	63	45	Deborah Services	51			17.8	27.3	44.3
	194	75	Frank Horsell	184	+ 2	_		8.2	13 4
	181	75	Frank Horsell Pr Ord 97	181	+ 2	8.7	44	7.5	12 4
	59	38	Frederick Parker	38	- 1		18.7		3.B
1	39	32	Georgo Blair	33	<u> </u>			2.4	3.0
	80-	48	Ind. Precision Castings	48	- 2		15.2	13,3	18.G
i	240	134	Isis Conv. Pret	240		17.1	71	19.9	19.0
	127	61	Jackson Group	118	- 1	4.5			11.8
	237	189	James Burrough	235			3.9	6.1	
!	335	275	Minihouse Holding NV	330	=	11,4	4.9	13.0	134
	176	115	Robert Jenkins	115		4.0	1.2	24.8	30.3
1	74	60		80	- 1		17 4.		9.0
	120	70	Torday & Carliale	ã		5.7	9.5	- 10-0	7-2
	440	385	Trender Unidiana		- 2	2.9	4.1	-	
	26	363 17	Travian Holdings	438	_	-	-	8.9	<b>£</b> 1
l	90		Unitack Holdings	17	-	۵.1	58	11.1	16.2
		65	Welter Alexander	85	_	6.B.	8.0	75.	9.9
	276	240	W. S. Yeatta	<b>24</b> 0	_	17.1	7.1	3.7	7.7
		_							

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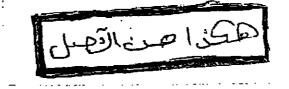
Notice is hereby given to holders of the above Bonds that the redemption instalment of \$1.500.000,—due on April 1, 1984 has been entirely effected by application of Bonds surrendered for

There will be no drawing by los. Willemstad, Curação

in January 1984

American Meters Oversex

Corporation N.V.



er growth

NACUNCED

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#### **BIDS AND DEALS**

David Dodwell looks at Pleasurama's latest bid move

## Game set in second match

Pleasurama was talking about a bid for Associated Leisure, my first reaction was that it was so obvious, it ought to have happened before," one stock market analyst commented

yesterday.

He went on to explain that the two had strong, but complementary interests in the gaming industry, that they had matching management styles, and that Pleasurama has for some time been over-reliant on casino operations. These account for about 85 per cent of current profits.

There is, of course, a good reason why Pleasurama has not moved until now. Until a couple moved that how. Until a couple of years ago, it was too much a minnow to talk seriously of approaching a company as substantial as Associated Leisure. In fact, a bid would have been more likely to be in the opposite direction.

Even more significant, as an operator of 17 provincial casinos and one London casino—with a 25 per cent stake in two more—it until only months ago cherished the hope of making an even bigger name for itself as a casino strum. Even more significant, as an

a rasino group.

The collapse of its £56m agreed The collabse of its lists agreed bid for Trident Television following a veto by the Monopolies Commission in December last year put an end to those dreams. Trident operates four London casinos and would have given Pleasurama the London presence it sansht.

Associated Leisure revealed yesterday that it had bought Associated Leisure revealed yesterday that it had bought Jacksons of Aitrincham, a coach tour company which operated under the name of Shearings, for £1.5m. The deal will double the size of Associated's coach holiday operations. In March 1982, it bought Smiths Happiway Holidays, a coach tour operator based in Wigam, for £11m. Associated said yesterday that the deal placed it among the top six tour operators in the UK. Jacksons made a "small loss" in the year to March 31 1983, on a turnover of £15m.

operations.

The Monopolites Commission had decided that the deal would concentrate too large a share of the UK's casino interests in too Few hands.

Particularly significant was the fact that Grand Metropolitan, which owens a 29.9 per cent stake in Pleasurama, and operates the Ritz and Casanova casinos in

m Preasurana, am operates in Ritz and Casanova casinos in London as joint ventures with it, would in the wake of the deal "reach a position approaching dominance" in the London casino market. Through its Mecca chain, GrandMet is already the largest casino group in the UK.

The collapse of the Trident deal was a blow to the expansion plans of Mr George Martin, Pleasurana's managing director. Even now, after years of close involvement in the casino business, he admits that growth in casino operations would be a "first choice."

But with no prospect of new casino licences being issued in the near future, and with cash reserves of £20m which need to be invested, a deal with Associated Leisure is seen in the City as an astute one.

Associated's leading position in the UK as a supplier of amusement machines—with about 25,000 machines in operation, it is understood to account for about 20 per cent of the machines on the market—made it a mature business, offering Pleasurana a substantial counterbalance to its casino

Associated's other interests —
particularly the holiday
businesses centred around
Smiths Happiway Spencers, the
coach tour operator—have been
recently acquired, show substantial growth potential, and
need the sort of investment that
a cash injection from Pleasurama a cash injection from Pleasurama a cash injection from Fleasurama would provide.

Mr Martin conceded yesterday that his own heavy involvement in the casino business had made him less aware than others that diversification might be a good

Pleasurama's profits performriessurama's prints performance in recent years certainly provides some justification for his keenness to grow in the casino area. The group's last purchase—Maxim's casino in

There is already considerable cross-ownership between Petrolex and Viva, both of which are held by a wide range of City institutions. The main bodies involved are Investors in Industry, Robert Fleming, Kleinwort Benson, Morgan Grenfell, Prodential and OxocoInternational.

International.

Viva, Petrolex and Western Isles also have a common exploration interest in Block 14/8 in the North Sea which the

operator, Elf, intends to drill this summer.

£7m to company profits in its first full year of operation inside the group.

However, as Pleasurama has however, as Fleasurama has become bigger, so the potential for conflicts of interest with GrandMet has emerged. It has been suggested that GrandMet would like to buy out its associate's minerity interest in the Casanova and the Ritz.

These of rations have been such an important contributor to Pleasure 14's profit, however, that no deal satisfactory to both sides seems capable of being bammered out at present. Mr Martin insists that there are to discussions with GrandMet over these joint ventures.

One consequence of a deal with Associated Leisure would be that Pleasurama would be thing its dependence on the profits of the Casanova and the Riz—which would of course make it easier to settle a deal make it easier to settle a deal selling its stake to GrandMet. That in turn might signed the opportunity for GrandMet to place its 29.9 per cent stake in Pleasurama, which would at last give the group its own wings. There is still time for the bid to flounder. And if Associated is such an obvious bid target, then there may be other predators ready to move in from the wings. But if it succeeds, Pleasurama has just taken a quantum leap into the big league of businesses in the UK's leasure industry.

#### BSC venture

British Steel Corporation and Faber Prest Holdings have con-cluded an agreement to form a company — Flixborough —which will acquire from BSC the assets employed by its Flixborough Wharf on the River

Canadian

group buys

Blackwood

Hodge stake

Peter Cundili and Associates, a Vancouver-based investment management group, has bought 4.15m shares, 5.2 per cent of those issued, of Blackwood Hodge, the troubled construction

equipment distribution company.

Blackwood Hodge said that
Cunhill, which specialises in
recovery situations, had not had
any contact with the company
before buying the stake.

The only other substantial

before buying the stake.

The only other substantial holdings in Blackwood Hodge are those of the Sunley family trusts, totalling 34.7 per cent.

Blackwood has suffered substantial losses since 1980, in part because of the worldwide slump in demand for construction equipment.

equipment.

Late last year, it suffered a major blow when a major supplier of equipment, IBH Holdings, of West Germany, collapsed.

At 12p, up ip, the shares trade at about one sixth of the stated net asset value in the group's 1982 accounts. The market contribution is under 10m.

capitalisation is under £10m.

Treat.
Faber Prest will have the majority shareholding and BSC will be represented in the board-

Flixborough Wharf intends to Fixborough Wharf Intends to to continue to handle British Steel cargoes and to seek an expansion in third party traffic. Faber Prest owns Gunness Whanf on the River Trent and Mostyn Docks in North Wales. British Steel and Faber Prest almostly to converte in interalreadly co-operate in joint ven-ture companies in Sheffield and

#### More O'Ferrall

More O'Ferrall's wholly-owned More O'Ferrall's wholly-owned French subsidiary, More O'Ferrall SA, has agreed to purchase on or about May 1 1984, some 74 per cent of the share capital of Societe d'Information et de Diffusion Exterieures (IDE) for £683,000 cash.

In addition it has offered to buy the belance of 58 per cent buy the balance of 26 per cent at any time during the next six years for £240,000, which will be adjusted in line with French inflation.

The purchase is subject to securing the necessary consents from the French authorities and verification of the leases of IDE's sites.

#### W. Moody buys Lloyd's broker

W. S. Moody (Holdings) has purchased Tozer Philipps Lloyds' brokers, from Tozer Kemsley and Millbourn (Hold-ings). Moody's has also obtained a controlling interest in Tazers' general insurance broking subsidiary, Wadham Stringer Insurance Services, and will conduct this business as a joint venture this dusiness as a joint venture with Tozer's automotive division.

The transaction was financed by a group of City institutions subscribing to a convertible preference stock. These comprise the British Telecommunication Staff Superannuation Scheme, the Post Office Staff Superannuation Scheme Raber Street Investing Scheme Raber Street Investign Scheme Raber Street

paid in cash. Moody's intends to develop and expand these acquisitions.

operate as part of Mallinson Denny (North Eastern) and will be managed by its founder, Harvey Nattress.

## Avana makes 'unwelcome' £17m offer for Bassett

Avana Group yesterday launched a bid for Bassett Foods, which the Bassett board last night described as "unsolicited and un-welcome." The terms, two Avana welcome." The terms, two Avana shares for every seven Bassett, value Bassett's shares at 1444p, against yesterday's closing price of 99p, and put a price on the company of approximately £17m. Bassett, one of the three largest manufacturers of sugar confectionery in the UK, has had a chequered history recently. In the year to March 1980, following a policy of diversification

ing a policy of diversification into such areas as toys and video games, the company made a record pre-tax loss of £1.2m. As a result, there was an entire reshufde of top management. Profits have since recovered to £1.7m in the latest full year.

**BOARD MEETINGS** Interime: DPCE, McLeod Russel, Park
Food, Alfred Welker,
Finate: Bootham Engineers, Camford
Engineering, Edmburgh American Assaus
Trust, Energy Resources and Services,
First Notional Finance Corporation, First
Notional Securities, Fleming Fledgeling
Investment Trust, Gestetner, KLP,
Lookers, Union
Esters, Whatings,
Future Dates
Interime—

notice of Avana's intention to notice of Avana's intention to bid had come in an afternoon telephone call from Avana chairman Dr John Randall. "It came out of the blue," said Mr Stokes. "We haven't had the benefit of any discussions whatsoever."

Stressing the unrelease Avana Group is one of the fastest-growing food manufacturers in the UK, with pre-tax.

Stressing the unwelcome nature of the bid, Mr Stokes profits last year up by a third to said, "How can we want any thing but independence? We've acquiring companies in the past few years, and the past few years, and obviously we want to go it alone."

Februs Adams and Gibbon Fob 21
Benslord (S. and W.) Jan 31
Goode Durrant and Murray Fob 9
M and G Dual Trust Fob 1
Reluge Assurance Mar 13
Spring Restaurance Mar 27
Waltengary Consolidated Jan 26 Bassett managing director Mr Like Avana, Bassett is a major Bev Stokes said last night that suplier to Marks and Spencer with sales of M & S own label confectionery accounting for 10 per cent of Bassett's group volume. In the last three years,

> fectionery is supplied by outside manufacturers.
>
> Some months ago, Bassett attempted to acquire OP Chocolate from Nabisco Brands, but was beaten to it by the Avana

Bassett has also built up sales of chocolate confectionery to £3m per year. All the chocolate con-

#### Fisons pays £5.5m for Canadian peat extractor

(£5.5m).

The purchase is extended to complement its existing peat extraction operations in Canada at a time when its oldest production unit, in British Columbia, is in decline after 40 years of operation.

The purchase is extended to markets of Canada and the U.S. Fisons main operating subsidiary using peat in Canada is Fisons Western Corporation. Fisons acquired a 50 per cent stake in the company in 1980 for operation. operation,

Fisons uses peat as a raw material for its compost and other gardening products, which are manufactured in two plants in British Columbia and Manitoba. It now has four peat ex-traction operations—in British Columbia, Manitoba, New Bruns-

Net sales revenue

On-mine costs

Treatment and refining Off-mine costs

Provision for renewals and replac

Profit on metal sales
Other income/(expense)

Profit before provisions

Profit before taxation

Profit after taxation

Transfer to reserves

Earnings per share (cents) Dividend per share (cents) Dividend cover

Tax and lease The normalisation

Dividends

Cost of sales

Fisons, the health care and agriculture group, is to acquire day that Langley had a competitive cost structure, large reserves peat extraction company, for a of high quality peat, and was cash consideration of CS9.5m well located for the West coast (£5.5m).

risons main operating sub-sidiary using peat in Conada is Fisons Western Corporation. Fisons acquired a 50 per cent stake in the company in 1980 for C312.5m, and in June 1982 acquired the remaining 50 per cent for a further C\$8.5m

Fisons Weston was established to develop the group's consumer products business in North America, and is at present test-marketing a number of "consumer gardening products' throughout the U.S. wick, and the latest in Alberta.

Rustenburg A Platinum

(Incorporated in the Republic of South Africa)

Consolidated Interim Report

for the six months ended 31 December 1983

Holdings WY

INTERIM RESULTS (UNAUDITED)

#### Whitbread expands in leisure market

Whitbread, the brewer, further nereased its interests in the eisure market with the announcement yesterday of a f4.5m acquisition of some 21 pubs and discos in the Midlands. The company has bought Mid-land Alchouses, the trading operation of which is called Grosvenor Leisure.

Mr Tim Thwaites, the chair-man of Whitbread's retail divi-sion, said: "This acquisition represents a further and significant investment by Whitbread in the growing leisure market and follows the recent purchase of discos from the Rank Organisa-tion and Goodhews."

543.5 33.7

509.8

377.0

248.7 74.6

20.1 33.6

132.8 18.4

151.2

133.0 69.2 0.4

63.4 56.4 7.0 50.6 45.0 1.1

18.2

Limited

17.0

142.1 45.3 14.2 16.0

63.0 3.8

66.8 10.2 56.6 30.3 0.2

54.8 13.1 0.3

85.2 12.5 33.5

39.2 21.9

17,3

## Viva Petroleum expansion plans cent Petrolex and 25 per cent Western Isles. Viva would then seek a listing on the USM.

North Sea Blocks, as well as small working interests and development drilling stakes in

The first stage of the deal, announced yesterday, is a management buyout of Howard Doris Exploration, which was created in 1980 and has interests

The exploration company, renamed Western Isles Petro-leum, has been bought by a management consortium headed management consorting headen by Mr Albert Granville, Howard Doris managing director. Mr Granville will own 25 per cent of the company, other senior

managers 50 per cent, with a 25 per cent stake remaining in the hands of the Howard construc-

ware petroleum, the small, independent UK oil company, is to be enlarged through an agreed merger with Petrolex and the offshore exploration interests of Howard Doris, the Anglo-French offshore construction company.

Wiva, which bought a 0.25 process stake in BP's Forms and agreed to be sold privately in the City, for a sum of £2.8m.

With that deal in place, the intention is for Viva to offer shares to take over both Western Isles and Petrolex. Terms have yet to be announced, although it is understood that the coentral ownership of the enlarged Viva would be: 40 per cent, with a 25 per cent stake remaining in the hands of the Howard construction company.

Mr Granville's position with Howard Doris is not affected. In a second stage, half of Western Isles is expected to be sold privately in the City, for a sum of £2.8m.

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In a second stage, half of Western Isles is expected to be sold privately in the City, for a sum of £2.8m. Viva would be: 40 per cent exist-ing Viva shareholders, 35 per

SHARE STAKES

United Riscuits (Moldings) —
Prudential Corporation no longer
has a notifiable interest in the
shares of the company.

Woodchester Investment—
Oceanhank Devs acquired
625,000 shares. Allied Combined
Trust disposed of 475,000 and
Jack McKinney disposed of
150,000 shares.
Polympik International — Mr. Polymark International — Mr L. J. Weaver has sold 35,000

United Bisculis (Holdings) — ordinary and acquired 9,000 "A" ordinary shares. He now holds as a notifiable interest in the 125,000 ordinary and 30,000 "A"

Danae Investment Trust— Trustees of Leinster Private Hire Company pension scheme new hold 1,330,418 capital shares (19 per cent).

MCD Group—Clive V. A. Bailey now holds 15m ordinary.

# Intervision joint video

the year to June 30 1983. two Intervision subsidiaries will be equivalent to 50 per cent of

At the same time, Intervision is negotiating the purchase of existing minorities in its leasing

Intervision Video (Holdings),
UK-based distributor of prerecorded video tapes, has
entered into a worldwide video
leasing joint venture with
CBS/Fox Video, the UK subsidiary of CBS/Fox of the U.S.
This will be self-ined by the conducted of the prethe pre-

directors state.

Financing of the joint venture companies, where necessary will be borne equally between CBS/Fox and Intervision.

whereby it will take over the sales, distribution and manufacture of all Intervision products in the UK.

Intervision's subsidiery, Alpha

 Consequent upon the change made last year in the Company's year-end, the results for the first half of the current 1984 financial year (ie. the six month period ended 31 December 1983) are compared herein with the published results for the first half of the 1983 financial year (ie. the six-month period ended 28 February 1983), and the ten months ended 30 June 1983.

June 1983.

2. During the first half of the current financial year prices for all major metals except gold were higher than those in the six months to 28 February 1983 and, except for platinum and gold, were also above those which prevalled in the four months to 30 June 1983. In addition, sales volumes increased for all of the major metals, except nickel. Unit costs, both per ton and per ounce, were lower than in the previous period due to tight control over costs. The overall effect was to increase profit before provisions by 53% to R102.3 profit before provisions by 53% to R102.3 million and profit after texation by 50% to million and profit after taxation by 50% to R39.2 million. As a result of this improvement and to reduce the disparity between the final and interim dividends, the interim dividend has been increased by 5 cents to 17.5 cents (1983 12½ cents).

 The new arrangements with Matthey Rustenburg Reimers (MRR) that were announced in the press on 9 December 1983 have the following effects on the financial statements of the RPH Group: (a) The fixed assets of the South African

The fixed assets of the could rained refineries at Rustenburg and Wadeville were acquired by RPM from MRR at a cost of R61.6 million. These assets are now classified as mining assets for the

calculation of RPM's liability for taxation and lease and for that reason this liability for the six months to December 1983 is substantially reduced at R12.5 million. The same accounting policies will henceforth be applied to these assets as are applied to the Company's other assets. As the purchase price of these assets was attributed to expanditure for the expansion of production activities, the tox sion of production activities, the tax normalisation charge increased to R33.5

(b) In future, depreciation of the assets of the South African refineries, which has previously been included in the refining charges levied upon Rustenburg Platinum Mines, will be eliminated. The profit before taxation in the next half of this financial year will correspondingly benefit by some R12.0 million.

(c) RPM will now manage the base metal refinery at Rustenburg whereas the PGM refining at Wadeville and the Royston refinery in the United Kingdom will continue to be managed by MRR until December 1996.

4. Capital expenditure for the six-month period, excluding the acquisition of the MRR assets, amounted to R9.1 million (R5.1 million in 1983); of this, R7.8 million (R4.7 million in 1983) was charged to the renewals and replacements reserve as on-going capital

> For and on behalf of the Board G H Waddell | Directors

DECLARATION OF DIVIDEND Dividend No. 60 of 17.5 cents per share, South African currency, has been declared payable to members registered in the books of the Company at the close of business on 10 February 1984. The conditions of payment, which can be obtained from the Company's Head Office or from the London Secretaries, provide inter alia that the dividend shall be converted to the United Kingdom currency at the sate of scaleson. Kingdom currency at the rate of exchange

quoted by the Company's Bankers on 27 February 1984. South African Non-Resident Shareholders' Tax at the rate of 15% and United Kingdom Income Tax will be deducted where applicable. The Register of Members will be closed from 11 February 1984 to 18 February 1984 both days inclusive. Dividend warrants will be posted on 8 March 1984 and will be payable on 9 March 1984.

By order of the Board JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED Secretaries Por: M P ASKEW

Head Office and Registered Office

Consolidated Building, Corner Fox and Harrison Streets, Johannesburg 2001 London Secretaries Barnato Brothers Limited, 99 Bishopsgate, London EC2M 3XE.

24 January 1984

Copies of this interim report can be obtained from the London Secretaries

#### To the Holders of

### Texas International Airlines, Inc. 10%% Subordimed Debenhares due 1998 Texas International Airlines Capital N.V. Guaranteed Floating Rate Notes due 1986 Texas International Airlines Finance N.V.

NOTICE IS HEREBY GIVEN that United States Bankruptry Judge T. Glover Roberts, on a motion of First Investors Management Company, Inc. and AlM Management, Inc. (the "Movants"), has authorized the appointment of a Public Debt Committee (the "Committee") consisting of the following issues of publicly held debt outstanding: 1078% Subordinated Debentures due 1998 of Texas International Airlines, Inc. (the "10%% Debentures"), the Guaranteed Floating Rate Notes. due 1986 of Texas International Airlines Capital N.V. (the "Floating Rate Notes"), and the 7½% Convertible Subordinated Debentures due 1993 of Texas International Airlines Finance N.V. Convertible Subordinated Debentures due 1993 of Texas International Airlines Finance N.V. (the "TWS Debentures" and, together with the 10% Debentures and Floating Rate Notes hereinafter collectively referred to as the "Public Debt"); such Committee to act as a Creditors' Committee for Public Debt Holders in the Texas International Airlines, Inc. reorganization case (Case No. 83-04021-H3-5; Consolidated Case No. 83-04019-H2-5), a Chapter 11 proceeding under the United States Bankruptcy Code presently pending in the United States Bankruptcy Court for the Southern District of Texas, Houston Division.

Pursuant to an order of the Bankruptcy Court, the Committee shall consist of up to ten (10) members as follows: the three (3) largest holders of Floating Rate Notes only who attend the Noteholders' Meeting (hereafter defined) in person or by proxy and express a willingness to serve; the three (3) largest holders of the 7½% Debentures only who attend the Noteholders' Meeting in

the three (3) largest holders of the 7½% Debentures only who attend the Noteholders' Meeting in person or by proxy and express a willingness to serve; the two (2) largest holders of the 10½% Debentures, only who attend the Noteholders' Meeting in person or by proxy and express a willingness to serve; and First Investors Management Company, Inc. and AIM Management, Inc.; provided, however, that to the extent the Committee cannot be fully constituted as hereinabove described due to a lack of qualified and willing holders, the holders appointed to the Committee (including First Investors and AIM) shall, subject to Court approval as hereinafter provided, be the official Public Debt Committee (subject to the right of any other Public Debt holder to seek membership on the Committee upon appropriate application to the Court).

In order to determine the holders of the Public Debt ("Noteholders") eligible and willing to serve on the Committee, the court has directed that a Noteholders' meeting ("Noteholders' the three (3) largest holders of the 74% Debentures only who attend the Noteholders' Meeting

serve on the Committee, the court has directed that a Noteholders' meeting ("Noteholders' Meeting") be convened, which meeting will be held at 2:00 p.m. on February 16, 1984 at The Helmsley Palace Hotel, 455 Madison Avenue, New York, New York, Renaissance A room. The purpose of the meeting is to select the members of the Committee and to permit the Committee to

such proof to consist of:

(10) presentation of a certificate of Cedel, S.A. or the Euroclear Operator that the securities are on deposit with either of them, and that they will advise the appropriate indenture trustee (and such indenture trustee will advise Movants' counsel) of any transfer of such securities on or prior to the date of the Noteholders' Meeting; and (iv) if the holder does not appear in person at the Noteholders' Meeting, a proxy in a form amount of the theology of the appropriate indenture trustee and Movants' counsel.

a vocenomers holding Public Dept securines which are nest in street name shall produce at the Noteholders' Meeting a written statement from a broker or financial institution certifying that the Noteholders' Meeting a written statement from a broker or financial institution certifying that the Noteholders of proxies shall provide in the beneficial owner of the securities. Noteholders and holders of proxies shall provide at the Noteholders' Meeting proof of identification satisfactory to the respective indenture trustees and Moreovan' and a security of the security of the respective indenture trustees.

Selection of the members of the Committee at the Noteholders' Meeting (other than Movants) shall be subject to the approval of the Court.

as industries Trustee Corporate Trust Department Attention: C. E. Starr Assistant Vice President One Wall Street New York, New York 10015 (212) 487-5701

BANK & TRUST COMPANY as Indenture Trustee Corporate Trust Department Attention: George R. Sievers First Vice President One State Street

Corporate Trust Department Attention: E. J. Jaworski Assistant Vice President 5 Hanover Square, 14th Floor New York, New York 10043 (212) 825-6281 tion Scheme, Baker Street Invest-ment Company together with Hawley Group. The purchase consideration of £700,000 was

Durham timber and builders' merchant, Harvey Nattress, has been acquired by Mailinson-Denny. The new acquisition will

This will be achieved by CBS/Fox Video acquiring 50 per cent of Intervision's two existing leasing subsidiaries which have been operating successfully in the UK since the middle of last war and Intervision believed. year, and Intervision believes the venture will result in the potential return to substantially higher profits.

Intervision, shares of which are dealt on the Unlisted Securi-ties Market, reported pre-tax profits of £609,000 (£666,000) for The consideration paid by CBS/Fox for the holding in the

two Intervision subsidiaries will be equivalent to 50 per cent of their net assets, after with-drawing profits earned to date, and will not exceed £20,000.

At the same time, Intervision and purchase film and video intervision's marketing department will continue to advertise and promote all new releases. is negotiating the purchase of existing minorities in its leasing subsidiaries for an aggregate consideration which should not exceed £55,000 and the issue of 1.22m new ordinary shares.

The joint venture leasing agreement is proposed to run for during the mid-1980s.

The mid-1980s.

regarding its purchase of the London Ryan Hotel in 1982. The instalment, £710,000, was satis-

instalment, £710,000, was satisfied by a cash payment of £460,000 and by the issue of £508,027 ordinary shares.

As a result of further purchases of shares on January 20, William Prym-Werke now holds 409,000 ordinary shares of Aere Needles (9.6 per cent).

\* \* \* \*

Two leading companies in the metal finishing business have

Two leading companies in the metal finishing business have joined forces with the acquisition by Walther Trowal of Metaref of Stoke on Trent.

Walther Trowal is a manufacturer of vibratory finishing equipment and controls its established ITE sales and distribution. lished UK sales and distribution operation from its demonstration centre in Birmingham. Metaref was established in 1969 and is a specialist manufacturer of ceramic abrasives for metal finishing.

By 3 pm on January 20, the English Association Group had received acceptances of its offers for Rosedimond Investment Trust in respect of 91.56 per cent in aggregate of total Rosedimond votes. Accordingly, the offers have been declared unconditional.
Acceptances were:— income

total 91.9 per cent).

The offers, but not the cash alternative, remain open for acceptance until February 17, 1984. Under the terms of the offers,

nally despatched.

Net revenue for this period will amount to 3.5p net per income share and this amount has been declared, payable on February 9, 1984.

Two subsidiary companies of

the Provident Financial Group, the People's Trust and Savings public.

Batsford, publisher of specialist interest books and general nonfiction books, has taken a majority holding in B. A. Seaby, London coin dealer and publisher of books on coins. Mr A. Cox, chairman of Batsford, will also become chairman of Seaby.

Noteholders who wish to attend the Noteholders' Meeting, whether in person or by proxy, and be eligible for appointment to the Committee, shall submit at the Noteholders' Meeting to their respective indenture trustee listed below and to representatives of Movants, proof of their holdings, ence its operations.

ch proof to consist of:

(i) presentation of the security; or

(ii) presentation of a certificate from a bank or trust company which is a member of the New
York Clearing House Association or a correspondent of such a member stating the
smount and (unless the bank or trust company has the securities on deposit with Cedel,
S.A. or Morgan Guaranty Trust Company of New York, Brussels Branch, as operator of
the Euroclear System (the "Euroclear Operator")) the serial numbers of securities of the
holder on deposit, along with a statement that the securities will not be released from
deposit until after the date of the Notcholders' Meeting; or
deposit until after the date of the Notcholders' Meeting; or
deposit with either of them, and that they will advise the appropriate indenture trustee
on derosit with either of them, and that they will advise the appropriate indenture trustee

(iv) if the noider does not appear in person in the Notenoiders (whening, a proxy in a form approved by the appropriate indenture trustee and Movants' counsel.

Proxy and certificate forms may be obtained from the indenture trustees.

Noteholders holding Public Debt securities which are held in street name shall produce at the

For the 10%% Debentures: For the Floating Rate Notes: For the 71/2% Debentures: TRYING TRUST COMPANY J. HENRY SCHRODER CITIBANK, N.A.

> New York, New York 10015 (212) 269-6500 shares - 4,508,461 for share offer and 257,045 for each offer (total 91.25 per cent); capital

# venture with CBS/Fox

Authorish this joint venture is being conducted through the existing Intervision leasing companies, the international activities represent a major new development for Intervision, the directors state

rox and intervision.
In addition, Intervision has agreed in principle and is negotiating agreements with CBS/Fox

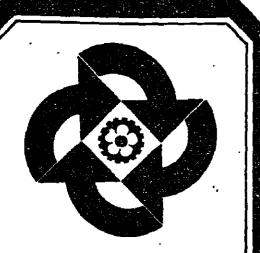
#### BIDS AND DEALS IN BRIEF

Mount Charlotte has paid the shares — 1,059,061 for share and and final instalment offer and 1,387,424 for cash offer

Under the terms of the offers, holders of Rosedimond income shares are entitled to receive and retain, a dividend equivalent to the net revenue available for distribution in respect of the period from August 1, 1983 to the date on which consideration payable under the offers is finally desnatched.

and Unicredit Finance, are merging to form one company, trading under the name of the People's Trust and Savings which currently operates a net-work of branches offering personal banking services to the

Dated: January 24, 1984



### **PLOVDIV** INTERNATIONAL **FAIR**

Two significant international events will attract businessmen and manufacturers from all over the world to the Bulgarian town of Ploydiv in 1984,

7 to 13 May 1984 SPRING INTERNATIONAL FAIR OF CONSUMER **GOODS AND FOODSTUFFS** 

-Exhibition of various high-quality products of the light and food industries, utility and on articles.

24 Sept. to 1 Oct. 1984 **AUTUMN INTERNATIONAL** TECHNICAL FAIR

-Innovations in the field of mechanical engineering, electronics and electrical en-gineering, technical and technological equip-ment, metallurgy, power engineering, chemi-cal industry, building and architecture will demonstrate the achievements of world-

Engineering companies will be able to demonstrate and compare their best attain-

The Bulgarian Scientific and Technical Unions, production companies and foreign firms will sponsor symposia, research and onions, production companies and soreign firms will sponsor symposia, research and technical conferences and seminars for exchange of research and technical information and experience.

The Plovdiv Fairs offer excellent conditions for active and fruitful business. For more detailed information please contact:

Administration of the International Ploydly Fair Plovdiv, 37 G. Dimitrov Blvd. BULGARIA Tel: 5-31-90, 5-31-45, 5-31-46 Cable: Panaira Plovdly

Telex: 044432 Partet BG The Bulgarian Chamber of Commerce and Industry Sofia, 11-a Stamboliiski Blvd. BULGARIA Tel: 87-26-31 Cable: Torgpalata Sofia Telex: 22374

## Courts advances by £0.6m and sees further progress

ON THE BACK of a £3.59m rise in turnover to £34.82m Courts (Furnishers) pushed its pre-tax profits up by £806,000 to a record £2.82m for the six months ended September 30 1983.

Trading in the UK in the second half is continuing satisfactority, although not at the same rate of increase as for the opening half. Overseas, pre-Christmas trading was buoyant in all areas except Hong Kong.

Earnings for the period rose by 1p to 6.1p per 25p share and the net interim dividend is held at 1.75p on the enlarged share capital — a final of 2.95p was paid for 1982/83 from pre-tax profits of £6.41m.

In the UK two stores have been opened and one closed this been opened and one close this financial year. Overseas, a fur-ther five stores commenced trad-ing, including the group's first ing Papua New Guinea, which "started well."

Good second

Glass Glover

With virtually all of the

With virtually all of the growth coming in the second six months, taxable profits of Glass Glever Group, food distributor and fresh fruit and vegetable importer, finished the September 30, 1983 year ahead from £1.25m to £1.53m

At midway profits were little

changed at £495,000, against £492,000, and the directors anti-

cipated that full year profits would be no less than those of

They now point out that trad-ing during the current year to date has been satisfactory, and

the company is enjoying generally better trading conditions than those during the comparable period in 1882-83.

ane period in 1902-55.

Accordingly, they say that while it is too early to make meaningful predictions they are confident that profits for the first six months will exceed those of the same period last year.

Turnover for the 12 months increased from 559.67m to £83.96m and the dividend is raised to 3.125p (3p) net per share with a final of 1.875p

the previous year.

half boosts

First-half operating profits ing to managing director Bruce rose from £1.76m to £2.21m to Cohen, mainly due to an unwhich deferred profits added a usually disadvantageous rate in further £603,000, compared with £451,000. Trading conditions in Hong Kong and Australia were difficult during the period.

Tax accounted for £1.32m (£966,000), minorities £137,000 (£149,000) and dividend payments £398,000 (£387,000). Retained profits emerged at £965,000 (£707,000).

• comment

As Courts (Furnishers) continues to open stores overseas often in exotic places like Papua New Guinea and St Lucia the contribution from abroad has grown to 40 per cent of turnover growth it and around 50 per cent of have aroutading profits. Another four or profit for five stores are planned for the a pre-tax next financial year. Currency possible vestects in this period were at 135p do "slightly detrimental" accord-

Jamaica which should not be repeated in the second half. In the UK the closure of two large loss making stores in Birming-ham and East Kilbride completes ham and East Kilbride completes
the company's programme of
rooting out lossmakers. Three
new stores will have been
opened by the end of the current
year. Another three are
scheduled for next year. Opening costs have pushed borrowings a little above f.7m, but
management still consider it an
acceptable level. Courts performed well last year following
the lifting of HP controls and is
unlikely to maintain the rate of
growth this year. Courts will unlikely to maintain the rate of growth this year. Courts will have around £700,000 deferred profit for the full year year and a pre-tax profit of £6.75m is possible which puts the shares at 135p down 3p on a prospective

# **Saville Gordon climbs**

AN ALL-ROUND improvement came out at £378,000, compared at J. Saville Gordon pushed pre-tax profits up sharply from £159,000 to £504,000 for the six months to October 31 1983 and with £143,000. In the engineers merchanting division, where profits improved from £223,000 to £230,000, margins remain tight, but sales levels are increasing. The chairman is reasonably optimistic about its future performance.

The scrap and metal processing the full year figure is expected to top fim, against £586,000 previously.

Mr J. D. Saville, the chairman,

to £0.5m for first half

side swung from a loss of £62,000 to a £204,000 profit. A healthier level of demand from steelworks,

show a further improvement if current trading conditions continue.

The interim dividend is up from 1p to 1.1p net—last year's final was 2.382p.

First-half turnover increased from £8.45m to £10.59m. Interest charges rose from £99,000 to £333,000 and after tax, higher at £126,000 (£16,000), net profits rent reviews on existing property.

#### **SEET outlook promising**

THE PROGRESS hoped for by Scottish, English and European Textiles at the September AGM materialised over the opening six months and prospects "continue to look promising" with healthy order books throughout

says the board is confident that the second-half result will be least equal to the first and could

show a further improvement if current trading conditions con-

Earnings per 5p share were 12.572p (10.5654p). Also proposed is a one-for-three scrip issue. the group.

Profits before tax for the half year to October 31 1983 improved Pre-tax figure for the year included investment income of £1,000 (same), but was after interest charges of £109,000, com-pared with £53,000. Tax took £682,000, against £555,000.

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movie star.

The stares she ignored Perhaps just bored

Or maybe she craved

The pasta so raved

About his business

A gentleman went

Her mysterious scent.

Distracted by

Incognito at the bar

Sat a movie star

RESTAURANTS

ings 2.94p ahead at 6.4p per 20p share.

At the annual meeting Mr J.

H. Mackenzie, the chairman, said that management accounts for the first four months were ahead of budget and represented a satisfactory improvement over the figures for the same period

last year. by £269,000 to £589,000 on turnover of £6,96m, compared with
£4.98m previously.
Shareholders benefit from the
improvement. Their interim
dividend is being stepped up
from 1p to 1.1p net from earnmanufactures woven fabrics.

#### Dunlop S. Africa profits decrease

Dunlop South Africa, the 51 per cent-owned subsidiary of Dunlop Holdings, suffered a drop in 1983 pre-tax profits from R38.1m to R35.5m, despite a slight increase in turnover to R200.6m, against R199.8m.

Difficult trading conditions were experienced in the motor industry and mining, industrial and agricultural markets as South Africa's recession deepened. But the board says that cost reduction and efficiency programmes have helped to offset some of the effects of the economic downturn.

The board is cautious on prospects for the current year, but is confident that the dividend will be maintained. Earnings for 1983 fell from 135 cents to 125 cents per share, partly due to an increase in the number of issued shares. The dividend was however, unchanged at 75 cents.

#### Dom sees increase THE DIRECTORS of Dom Hold-

ings are forecasting a "reasonable increase" in group profits for the year to March 31 1984 over the £1.03m pre-tax achieved last time, and they are raising the interim dividend from the content of the group. 1.479p to 1.725p net. The group manufacturers and retails fixing

manufacturers and retails fixing products.

In the first half ended September 30 1983 turnover has advanced by £1.63m to £8.18m and profits by £100,700 to £602.146, despite unsatisfactory results from the European subsidiaries. Tracking in the UK was in line with expectations.

UK soles have continued to show steady growth; steps are being taken to improve the performance of the European subsidiaries but little improvement is expected by March 31. Investment in better technology and new product lines is con-Investment in better technology and new product lines is continuing and the directors expect the benefits to be apparent during the next financial year.

The half year's tax charge was £209,496 (£175,506), leaving the net profit at £392,650 (£325,940).

#### Yearlings unchanged

The interest rate for this week's issue of local authority bonds is 91 per cent, unchanged from last week, and compares with 111 per cent a year ago. The bonds are issued at par and

1985.
A full list of issues will be published in tomorrow's edition.

9.61549

7.91864

PET PTO GENCOR (UK) LIMITED LONGON Secretaries

## Rustenburg lifts first-half profit

Six months Dec 31 Feb 28 1983 1983

A JUMP of 50 per cent in first half earnings of R39.2m (£22.3m) is reported by South Africa's Rusteaburg Platinum Holdings. The interim dividend is raised by 5 cents to 17.5 cents (10p), although this is partly to reduce the disparity in size between interim and final dividends. The total for he previous 10 months to June 30 was 45 cents.

end. february last year. Another end. February last year. Another important factor was a reduction in unit costs.

Foliowing the acquisition of the refinerics from Matthey Rustenburg Rediners these assets and can therefore be set against 277.0 are classified as mining assets and can therefore be set against 277.0 tax as capital expenditure. This explains the sharp fall in tax and lease charges.

But the tax normalisation account is increased in order to 35.0 account is increased in order to 36.0 account is increased in order to 36.1 spread the tax-saving benefit advantage of the acquisition is that depreciation on the 30.3 refineries is no longer included 0.2 in the refining charges levied on 25.1 Rustenburg. This will benefit the pre-tax profit in the current half-year by some RI222.

20.8 It looks as though Rustenburg is going to turn in another sood

Ow. per share (cenus) 17.5 12.5 is going to turn in another good performance reflects of the financial year to June 30. But there is not much scope for platinum group metals, a major an increase in the final dividend factor in which will have been in group's more competitive reduce the disparity between the pricing policy of basing its sales on the free prices as opposed to the producer price line which is

#### **Expansion plan for** Canadian gold mine

GOLD PRODUCTION at the old to be filed on January 26, and Renable mine in northern the closing date for the offer is Ontario is to be expanded from planned as February 9. The trust will receive a minimum of 2,700 or of gold in each of the first will receive a minimum of 2,700 or of gold in each

Campbell Resources.

This ambitious plan, which is to come into effect over the next larger amount. Holders will be 18 to 30 months at a cost of C\$18.4m (£10.5m), will be financed by an innovative scheme involving the offer to the public of units in an investment trust, the Barrick-Callaton Geld Trust.

The trust is entitled to receive a percentage of the Renable

The trust is entitled to receive a percentage of the Renable mine's gold production, with a base level of 3 per cent of output if the gold price is below USS399 per ounce, rising in steps of one percentage point for each US\$100 increase in the gold price. Units in the trust will be sold at CS1 each to raise a total of C\$17m, with expenses likely to absorb about C\$1.2m. Holders will also receive one gold purchase warrant for each 10 units held, exercisable at a price of US\$400 in 1984, US\$450 in 1985, and US\$500 in 1986.

Recable currently has reserves of some 1.5m tons of ore at an average grade of 0.192 oz (5.97 grammes) of gold per ton, sufficient for a further five years of life at the proposed higher rate of extraction. The expansion plan envisages the development of an additional

1.6m tons of proven and probable ore, and further exploration within the mine area. these warrant for each 10 units the Barrick-Cullaton Gold reld, exercisable at a price of Trust will be offered in the UK 188400 in 1984, US\$450 in 1985 through Midland Doherty of the US\$500 in 1988, London Wall Buildings, A final prospectus is expected

#### MINING NEWS IN BRIEF

Corona Resources in the Hemlo area of Ontario. The target date for commissioning of the new facilities is March 1985, and the estimated capital cost is C\$70m

Teck had been contemplating custom milling its ore at the nearby Golden Giant property of Noranda Mines, but has chosen to construct a 1,000-tonnes-per-

day plant on its own area.

The joint venture, in which teck has 55 per cent and Corona 45 per cent, has almost 12m tons of ore at varying grades, with the main orebody containing 8.4m tons at an average of 0.35 cm (1)

containing 8.4m tons at an average grade of 0.36 oz (11 grammes) of gold per ton.

\*\* \* \* \*

The Lourho group's Coronation Syndicate made a net loss of R17,000 (£9.7m) in the three months to December 31 the first the Lorma group's Coronal for the Coronal form Corsyn Consolidated Mines, the gold and copper mining subsidiary in Zimbabwe.

Operating income from Corsyn's four mines fell to 231.39m (2569,000) in the latest period, compared with 252.07m in the September quarter.

After a lower tax charge, make this necessary.

CANADA'S Teck Corporation Corsyn showed net profits of has finally decided to build its 25904,000.

own processing plant at its gold \* \* \* \*

joint venture with International Australian Consolidated

Anstralian Consolidated
Minerals (ACM) has started
shaft-sinking at its wholly-owned
Golden Crown gold property in the Murchison goldfield of Western Australia. The shaft should be completed to its target depth of 272 metres, with lateral development work of a further 1,000 metres, by the middle of

countries, by the mindle of next year.

Golden Crown contains an estimated \$50,000 tonnes of ore grading an average of 20 grammes of gold per tonne.

ACM is also continuing exploration work at its other properties in the area and has perties in the area, and has started a feesibility study into mining the Big Bell deposit.

\* \* \* \*
Canada's Equity Sliver Mines.

controlled by the Noranda Mines affiliate Placer Development, has

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COUPLIN NO. 104

(Dividend No. 104)

(Dividend No. 104)

HOLDERS OF SHARE WARRANTS TO BEARER are informed that they will, on or after the 2nd February, 1984 be paid 9.615489 per stars, viz. 11.31234 the amount declared per share, less 1.69685p before 50 that African non-resident shareholders' tax of 15% against surrection of Coupon No. 104. Coupons must be deposited for FOUR CLEAR DAYS for inspection before payment will be made:—

nent will be mace:—
In Lendon at Gencor (UK) Limited, 30 Ely Place, London EC1N SUA,
In Paris at Credit du Nord, 6 & 8 Boulevard Hausemann, Paris (94). In Zurich at Credit Suisse,

freland will be paid as follows:---Amount of dividend after deduction of South African non-resident shareholders' tax of 15% Less: United Kingdom Income Tax of 15% on the Gross Amount of the dividend of 11.31234p

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In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the penod Zinta and analy. 1984 to Zint July, 1984 has been fixed at 10.1875 per cant per analy. DES AUTOROUTES LOAN OF EUA 12.000.000. Bondholders are hereby informed that amortization due on February 21 1984, for which an amount of EUA 2,000.000. Is planned, has been effectively that the series of the draw which took place to January 10 1984, in the presence of Madame Jeanne Housse, Notary Fublic in Lasembourg, the 2,000 bonds of EUA 1,000 bearing numbers. July, 1984 has been fixed at 10.1875 per cent per annum.
On 25th July, 1984 interest of US\$ 257.52 per US\$ 5.000 nominal amount of the Notes and US\$ 275.17 per US\$ 50.000 nominal amount of the Notes will be due against interest Coupon No. 5.
SWISS BANK CORPORATION INTERNATIONAL LIMITED Presence of Maddame Jeanne House, presence of Public in Librambours, the 2,000 bonds of EUA 1,000 bearing numbers 928 and 7930 to 12000 inclusive, baking account of numbers included drawn for preceding installments, will be redeemable at part coupons at February 21 1985 and subsequency at February 21 1985 and subsequency at February 121 1985 and subsequency at February 21 1985 and subsequency at February 21 1985 and subsequency of interest, will carry get the redeemption of the hard bonds and the payment of interest due of February 21 1985. Library COMMERZIANIA, Library COMMERZIANIA, Library COMMERZIANIA, Library 1981; COMMERZIANIA, Parit — KREDIET-BANK S.A. Library 1981; COMMERCIAL Parit — KREDIET-BANK S.A. Library 1981; Commercial Comm

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LEGAL NOTICE

NOTICE TO CREDITORS TO SEND IN PARTICULARS OF DEBTS OR CLAIMS LANDMOOR LIMITED (in voluntary liquidation)

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company are required on or before the 29th day of February 1984 to send in their names and addresses, with persiculars of their Debts or Claims, and the names and addresses of their Solicitors (if eny), to the undersigned William Frederick Radord, of Peat, Marwick, Mitchell & Co., 1, Puddle Dock, Blackfriers, London EC4, the Liquidators of the seld Company, and, if so required by notice in writing by the said Liquidators are by their Solicitors or personally to come in and prove their said Debts or Claims et such time and piace as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated 18th January 1994 (in voluntary liquidation)

auch debts are proved.

Dated 18th January 1984.

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## FINANCIAL TIMES SURVEY

Olof Palme, whose Social Democratic government has had to tackle the huge problem of a growing national debt brought about by prolonged economic recession and a decline in real incomes. Support for the Social Democrats, who returned to power in 1982, has fallen, not least because of widespread opposition to its scheme for collectively-owned wage earner funds, which will give the unions an increasing share in the ownership of industry.

Sweden in figures

1 10

		(per	rcenta	ge char	ge in
•	. 1982	1381	1982	*1983	†198
Gross Domestic Product Industrial production Industrial investments Consumer prices Unemployment raic Trade balance (SKr bu) Current account balance (SKr bu) Population Total labour force Manufacturing industry labour force	8.3m 4.35m	-3.5 -8.5 12.1 2.5 -1.2	-17.3 8.6 3.2 -5.7	4.2 -6.0 8.9 3.5 10.1	3. 5. 7. 2 16.
	a. U.S.\$1=51 r 2.90 (Janua lates. † Fore	LY 1984		SKr 1	1,51.

The opening of the Stockholm conference on security and disarmament focuses attention on the status of Sweden's long-established policy of neutrality. At home, the Social Democrat government faces criticisms and a long haul to pull the country out of its economic difficulties.

By Kevin Done Nordic Correspondent

SWEDEN IS having to cope not yet begun to win the with growing strains as it electoral support which its with growing strains as it electoral support which its mittal bandling of the embattled initial bandling of the embattled economic crisis and at the same time come to terms with a greater polarisation and diver-sity of political debate than has been known for many years.

Sweden's long-established neutrality policy have tentravely been placed in question, as the country feels itself squeezed by the superpowers' growing strategic interest in the Nordic region. It is an interest given added point last week by the presence in the Swedish capital of both the U.S.

in the public sector — now the largest of any Western country—has bad to be halted as the economy has groaned under the weight of mushrooming state deficits, and Swedes have been sampling the effects of prolonged economic recession and stagnation with three years of declining real incomes.

The Social Democratic Gov-

striment, led by Mr Olof Palme, the Prime Minister, undoubtedly een successful in the short crisis since returning to power in October 1982. However, it has shown itself to be surpris-

creasingly presidential style of government which has left him out of touch on certain key issues. His selection of close colleagues and aides has appeared suspect on occasions and the Social Democrats have not yet begun to win the wider

economy might have warranted. In the recent so-called Rainer Affair, Mr Palme committed what even he admitted to be a major political blunder. Mr Ove Rainer, the Justice Minister, was forced to resign in Novem-ber in a scandal over his personal tax affects. His advanced personal tax planning broke no laws, but it offended deeply against Social Democratic

Less than 24 hours after Mr Rainer's resignation, however, Mr Palme announced that he swedish capital of both me one and Soviet Foreign Ministers Mr Palme announced that and Soviet Foreign Ministers appointing his former was appointing his former man conference on security and minister supreme count judge, only to see him forced to resign extravagant growth from that post too, less than two weeks later, as the scandar

The latest opinion polls show that the Social Democrats have the support of only 41 per cent of the voters compared with 47 per cent two years ago and 45 per cent in December 1982. At the last election in September 1982 they polled 45.6 per cent of the votes and, with the 5.6 term in handling the economic per cent won by the Communists, the Socialist parties re-gained a majority in the Riksdag, the Swedish Parkament.

ingly accident prone in both the domestic and foreign arenas.

The Social Democrats at a new peak in the opinion the central government budget budget for parties, the Moderates and the central government budget budget parties, the Moderates and the central government budget budget parties, the Moderates and the central government budget bud

have consistently with majority the long-term implications for support in recent opinion polls.

With its promise to do away the balance of payments. appeared to belong to them almost by divine right for the previous 44 years.

Backed into a corner by the need to pay off old debts to their trade union supporters, they chose to push ahead with their controversial plans for introduction of a system of collectively-owned wage earner funds. The issue brought thousands of normally passive Swedes out on to the streets in protest last October and has united the rather fractious opposition parties in a way scarcely imaginable before the last election.

Poll after poll has shown that an overwhelming majority of Swedes oppose the funds, which will give the trades unions a growing share in the ownership of industry.

The business community has waged a relentless campaign against the funds, claiming that companies are being forced to pay for their own socialsation. in an unprecedented protest 75,000 businessmen and their supporters marched on Parlia-ment—most demonstrating for the first time in their lives—but to no avadi. With the support of Communist Party abstentions, the scheme was pushed through Parliament with a narrow six vote majority in December and the funds are expected to start operation this

issue has been the opposition, and in particular the Moderate

With its promise to do away with the funds if they win the next election, in September 1985, the opposition has ensured that the issue will not die. More importantly, however, it taxed nation in the world, Sweden must be close to the ceiling where taxes cannot be pushed any further. To try to has found in the wage earner funds an issue which can be used to channel the wider dis-satisfaction many feel about the growing role played by the state in individual's lives.

#### State power

taxed informal sector, a potent form of private protest. Over the last 50 years Sweden has built one of the most highly regulated and ordered states in the world. It has been done with broad popular support and most Swedes are proud of their welfare state. The activities and transfer payments of the public sector are not often questioned in principle, but there is unease about the ses of state power.

It is a question of degree. In a country where public expen-ditures are equal to 68 per cent of the Gross National Product, the process has simply gone too Public expenditure for health, education, social security and pensions continued to grow unchecked for much of the last decade at about 6 per cent a year in a period in which the economy was growing annually at barely more than

Sweden's national debt has soared as the state chose to strategy for economic recovery, borrow increasing amounts to which Party, the Swedish Conserva-tives, which is currently riding mitments. By 1982 the deficit on at a new peak in the opinion the central government budget

CONTENTS

As probably the most highly

pushed any further. To try to squeeze more would only give

further encouragement to the

black economy which is already thriving. A reform of marginal

tax levels is being introduced, but it appears that more must

be done if activities are not to switch increasingly to the un-

The Government has recog-

nised the need to halt the

growth of the public sector and

has made a start with a modestly restrictive 1984-85 budget introduced earlier this

month. The Palme administra-

tion is shying away from more

painful cuts, however, and has

chosen instead to gamble on economic growth to haul it our

"It is an illusion to imagine

that it is possible to reduce the budget deficit by cutting state expenditure," the Prime

Minister insisted in a recent interview. "There are those

who believe in social disarma-ment, but I don't. In today's situation we must do every-

thing we can to hold the budget

deficit at an unchanged level.

The first stage of the

CONTINUED ON NEXT PAGE

centred around

economic growth.

of the crisis.

Foreign policy: neutrality policy under pressure

of cutting war risk

Economy: fighting the public sector deficit Ш

and spending cuts IV

JAS project: fighter for 1990s on schedule

in share values IV

back into profit Labour: crisis package to cut unemployment

system is questioned Wage earner funds: scaled

Industry

Reversing the long decline VI Chemicals/ pharmaceuticals VI Engineering sectors: Mechanical VI Electrical VI Transport VI Special steels VI

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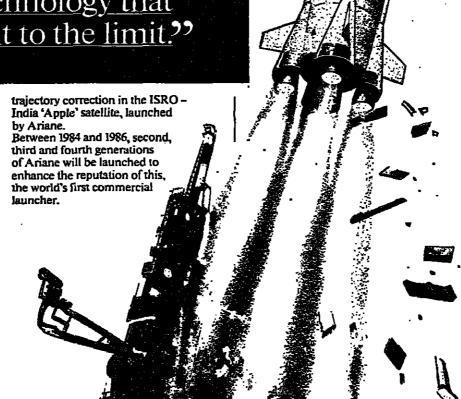
To achieve high performance and reliability, even simple components can demand a level of capability and technology that will stretch commitment to the limit."

#### Ariane. A view from above.

During this decade, some 200 geostationary satellites are expected to be launched, a high number of these for communications. To compete for a proportion of this commercial launcher market and establish an independent launching capability for its own scientific satellites, the European Space Agency (ESA) decided in 1973 to develop the Ariane launcher.

The three-stage, 47.8m high Ariane 1 weighs 210 tonnes at lift-off. Propellant constitutes 90% of the mass, the structures and payload accounting for about 9% and 1% respectively.

SKF companies such as Sarma, ADR and Transrol are all involved in world space projects. In Europe, for instance, Sarma provides ESA's Ariane with brace struts and actuating rods. And ADR supplies high-tech miniature bearings for precision applications such as the momentum wheel in inertia gyroscopes as used for





#### Slewing rings swing 210,000 dwt Tazerka.

Just off the Mediterranean's Tunisian coast lies the 1.2 million-barrel Tazerka oil production storage and off-loading facility operated by Shell Tunirex. This integrated multi-well (max. 8) unit is one of some 150 custom-designed offshore system contracts carried out by Switzerland-based Single Buoy Moorings (SBM Inc.).

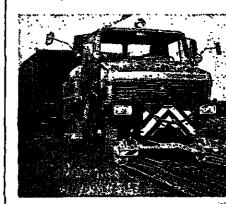
The floating unit is moored in 140m of water by a rigid yoke structure attached to an above-water swivel assembly. A tubular riser, pre-tensioned by the yoke's submerged buoyancy tank, connects the assembly to a seabed gravity base and acts as a support for product, control and service lines.

The swivel arrangement includes a main 4.5-metre diameter, 13.6-tonne triple-row roller bearing of special steel, a similar 4.2-metre/3,5-tonne turntable bearing, and six 1.5m bearings. All of which help the vessel to weathervane - swinging to minimize resistance to wind, waves and current. All are special duty sealed bearings from RKS - slewing ring specialists of SKF. A spare 13.6t main bearing in a 10-year protective pack, weighing in total 17.5t, is strategically positioned above the acting main bearing.

#### On road, off road, on rails.

To call the Unimog a multi-purpose vehicle and implement carrier is like calling a Mercedes limousine a passenger vehicle. Accurate but unexciting. The Unimog is made by the Daimler-Benz all-wheel drive specialists at their Black Forest Gaggenau plant. Popularly, it's a universal quick-change vehicle - just as suited to off-road crop spraying as to on-rail shunting of railway wagons. Small outer changes, 52 to 168 DIN/HP diesels, and hundreds of powerful work implements, make for almost limitless permutations of the

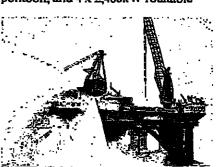
basic tractive unit - from excavation to road surface impacting, from forestry to Ro-Ro container loading. Uncommon usage has led Unimog to an uncommon SKF wheel bearing solution: the new type SU cylindrical roller bearing that will cope with all directional heavy forces likely to arise - a litting complement to the SKF taper. cylindrical and ball bearings in the gearbox, differential and elsewhere.



#### KaMeWa keeps MSV positioned.

"Keeping station" against wind, waves and current is a safety critical factor in Consafe Offshore's Multi-purpose Support Vessel.

This semisubmersible platform, with an operational displacement of 14,560 tonnes, uses any of 3 methods to stay accurately in position: 8-point anchoring, anchor mooring plus automatic anchor assist, and computeraided dynamic positioning (DP). Marine propeller specialists KaMeWa supplied the DP propulsion units: 2 x 1,500kW fixed thrusters for the starboard pontoon, and 4 x 2,400kW rotatable



thrusters ~ one under each column. SKF self aligning CC roller bearings support the critical torque transmission shaft from the electric motor. They are also used on the main thruster input and propellor drive shafts.



## Tough time ahead on economic issues

CONTINUED FROM

dramatic 16 per cent devaluation pushed through as virtu-ally the first act of the new Government in October 1982, appears to have succeeded better than the administration dared hope.

Sweden has embarked on a period of export-led growth which saw its foreign sales jump by 11 per cent in volume last year. Industrial output has picked up strongly, company Industrial output has profits are surging in the export sector of the economy, the stock market is still riding on the crest of a three-year boom, and the deficit on the current account of the balance of payments has shrunk dramatically.

Big question-marks inevitably remain. The strategy for ex-pansion chosen by the Swedish Government could easily be thrown off course if the refails to gather pace, and at home the battle against inflation

Unemployment, though nominally little more than 3 per cent, is in fact running at bepolicy, which could still cost live longer them dearly, and they have yet nationalities. to prove that they can keep the lid on the trade unions' present tionary wage claims, which

last devaluation. There is a lot at stake. By nany material standards Sweden still leads the world. Its

capita and, contrary to popular system would eat up the competitive besief, Sweden long ago gave up and political assumptions being advantages gained through the leadership of the world suicide called into question.

league. (That dubious distinction now belongs to Hungary with Finland in second place.) For much of the past decade gross national product per head Sweden sought to hang on to its those supported by job creation of the population is rivalled only achievements by isolating itself programmes are included. The by Switzerland and Norway from outside economic shocks Social Democrats are still commong Western countries. It has and so failed to respond Social Democrats are still com-among Western countries. It has and so failed to respond mitted to full employment as the lowest infant mortality rate adequately to the profound the primary goal of economic in the world, and the Swedish changes occurring in the world policy, which could still cost live longer than other economy. As it now catches up than other economy. As it now catches up with its own need for structural Only the U.S. has more tele- change, new strains are in-phones or television sets per evitably appearing in the with cherished social

Sweden likes to see itself as a bridge-builder between East and West, yet feels it is walking a tightrope in trying to deal even handedly with the two superpowers, as Kevin Done reports.

## Neutrality policy under pressure

Sweden likes to see itself as an intermediary or bridge-builder between East and West. The country is strategically located as a buffer between the military alliances of the Warsaw Pact and Nato, and the guiding principle of Swedish foreign policy remains the non-participation in alliances in peace-time aiming at neutrality in the

It is a policy that has spared the country the turmoil of war for about 170 years, but recent events have illustrated all too clearly the pressures that are mounting on Sweden's neutrahity policy and lay open to question its ability to act as an

Last week's meeting between Mr Andrei Gromyko, the Soviet Foreign Minister and Mr Olof Palme, the Swedish Prime Minister, was the first contact at ministerial level between the two countries for several years and certainly the first since a Soviet submarine ran aground close to a highly-sensitive Swedish naval base in October

Relations between Stockholm and Moscow sank to a new low last spring when a govern-ment commission firmly blamed the Soviet Union for a spate of submarine incursions during the autumn of 1982 and the Palme administration issued a stiffly-worded protest note to the Soviet authorities.

Subsequent reports have detailed the security forces' continuing anxiety over further intrusions by foreign sub-marines into Swedish waters. Mr Lennart Bodström, the Minister explained recently: "We can never accept ment, our frontiers more serious . . . apparently in the hands of

violations of its frontiers with-out reacting vigorously, this the task of deciding i could be misunderstood both by the power violating those equipment and therefore sub-frontiers and by the other ject to various Swedish regula-

country as being in the pocket of the West, and relations were nardly helped when Stockholm decided shortly before Christ-mas to expel two Soviet diplo-mats and a third Soviet citizen suspected of carrying out indus-

#### Delicate role

The delicacy of the country's position as a neutral island between the military alliances was emphasised again when it was discovered that highly sensitive U.S. computers were being smuggled to the Soviet Union via Sweden. The com-nuters were selzed by customs officials at the southern port of Helsingborg, but for long wee the Administration appeared nonplussed as to how it should react to U.S. pressure for the return of the computers.

The Swedish authorities' actions show clearly the tighttrying to deal even-handedly with the two superpowers. At first it used the convenient fact that the goods had been shipped via South Africa as an excuse to intervene. It passed a new regulation outlawing the import military equipment from South Africa, saving it the prob-lem of naming either the U.S.

or the USSR. While Sweden agonised, West Germany returned to the U.S. other parts of the same consignment of computer equip-ment, which it had earlier frontier violations... Sweden's seized in Hamburg. Stock-very status of a non-participant holm's next move was to try in alliances makes violations of to leave the decision-making

computers were in fact military

Criticism in the Soviet media Once it was established that of Sweden often depicts the the computers could indeed be sophisticated purposes such as guidance, Mr Marts military Hellström, Minister, announced the owner of the goods could receive neither an import nor an export licence. was not in Swedish interests

to encourage the proliferation of such military hardware. Having blocked the way for any other buyers, Stockholm then opened the way for the manufacturer, Digital Equipment, to buy the computers back. The computers will be returned to the U.S. but the letter of neutrality has been

Sweden's relations with the U.S., particularly in this precise area of high technology and military equipment, are vital to its interests if it is to continue to be able to develop its own independent armaments industry. Its new JAS fighter plane project, for example, is vitally dependent on the import of key components and licences from the U.S.

Difficulties in Sweden's relations with the Soviet Union and anxiety over the submarine incidents have combined to set off an unusually lively public debate on security policy and foreign policy and it is sur-prisingly a debate in which Mr Olof Paime, the Prime Ministe has not always distinguished

Mr Palme often appears to clipse Mr Lennart Bodström, the trade union official whom he appointed as Foreign Minister in October, 1983, and he dominates with little challenge the foreign policy debate within

Such a development could be expected, perhaps, from a Prime Minister so experienced in foreign affairs but in several incidents during his first year back in power Mr Palme has shown himself to be particularly accident-prone in the foreign

His handling of the dispute tional multi-party consensus on over oil drilling rights with matters of foreign and security close neighbour Denmark was policy but the charges failed awkward and gave exaggerated importance to a disagreement which appeared to owe much to the traditional streak of arrogance which Sweden some-times reserves for its Nordic

neighbours.

In the wake of the submarine commission's report, Mr Palme involved himself in an unseemly Ferm, Sweden's outspoken ambassador to the United Walions with Mr Georgi Arba-Parliament, which eventually toy, a member of the Soviet Nato countries—appears to gave Bildt a standing in foreign Communist Party's central communes this idea a non-starter,

visited the U.S. and while in



Above: Mr Gremyko, Soviet Fereign Minister, is greeted on his arrival for the Stockholm Conference by Mr Lennart Bodström, Sweden's Foreign Minister (left). Below: Rep-resentatives listen to Olof Palmo's opening address in which



Washington held a number of meetings with U.S. defence officials. His visit prompted unique statement to condemn Mr Bildt, saying that through his contacts with one of the superpowers in the middle of a very delicate Swedish foreign policy situation, he had acted with particularly poor judg-

#### Accusations

Government representatives tried to claim that the Moderates, the Swedish Conservative Party, had placed themselves outside the tradipolicy but the charges failed to stick. Instead, the Palme Government was accused more convincingly of trying to sup-press criticism that might irritate the Soviet Union. More recently, Mr Palme's handling of the so-called "Ferm

Sweden's often uneasy rela- provoke.

meetings with U.S. defence have tended to obscure other officials. His visit prompted important policy initiatives it is the Swedish Government in a pursuing either in the Nordic region or in its relations with the Third World. Nonparticipation in alliances does not stop Sweden from stating its views about the international scene and it plays a particularly active role at the United

> With the return of the Social Democrats to power, Stockholm has begun to pursue much more actively proposals first floated by Finland in the 1960s for the establishment of a Nordic nuclear free zone, but it is receiving little encouragement from its Nordic neighbours who mark and Norway.

> Equally, Sweden is trying fficially to build up support for the idea of a corridor in Central Europe free from battlefield nuclear weapons a proposal first elaborated by the indepen dent Palme Commission during the Social Democrats' period in opposition and now adopted as Government policy.

affairs that he had never previously enjoyed.

Carl Bildt was a member of holm's handling of its relations to raise the proposal during the commission. Shortly after with both Moscow and Washpublication of the report he ington.

Online that the last relations to raise the proposal during the stockholm Conference for fear of the disagreements it could

DRAMA AT THE STOCKHOLM CONFERENCE

## **Event wins new prominence**

THE DRAMA of the meeting between Mr George Shultz, the U.S. Secretary of State and Mr Andrei Gromyko, Soviet Fereign Minister, last week—their first since the eated exchanges in Madrid after the Korean airliner was shot down—has given the Stockholm conference a Stockholm conference a particularly high profile. It has also given Sweden az unaccustomed prominence on the world diplomatic map.

With the return of the foreign ministers to their respective capitals, delegates to the officially titled Conference on Security and Confidence Building Measures and Disarmament in Europe can settle down to the long tank sente down to the long haul of negotiating military steps for minimising the risk of war in Europe with the prospect of remaining at their posts in Stockholm at least until actumn 1986.

The strength of immediate interest in the Stockholm conference is easily explained by the chilling recent develop-ments in arms control talks between the two super-powers. In December these saw the Soviet walkout from the Geneva talks on limiting intermediate range nuclear weapons in Europe, as well as Moscow's subsequent refusal to agree to dates for the resumption of the Strategic Arms Reduction Talks and the 10-year-old Vienza negotia-tions on reducing conven-tional forces in Europe.

The Stockholm Conference itself is far more limited in scope and has its origins in Helsinki Final Act of 1975, the basic document that set up the Conference on European Security and Co-operation (CSCE). The Helsinki process grew out of the South of the Active for recognition of the Active for the Active f recognition of its post-World War II hegemony in Eastern

Europe and was made possible by the general spirit of detente generated at the end of the 1960s and the early 1970s with a warming of the relations between the power

The Final Act of Helsinki was signed by 35 countries—all of Europe with the exception of Albania together with the U.S. and Canada, and these are now the states represented in Stockholm. The Helsinki documents

of news and information and cultural co-operation; rules for follow-up conferences to discuss implementation of the Helsinki agreement.

#### Mediators

The Stockholm Conference belongs firmly to the first accord covering security in Enrepe.

The decision to convene the conference was made at the second CSCE follow-up meeting which ended in Mad-rid in September. The Madrid rid in September. The Madrid meeting was often threatened by breakdown as relations between the U.S. and the Soviet Union deteriorated against the background of the Soviet invasion of Afghanistan, events in Poland and most recently the sheeting down of a Korean striner by the Soviet Union.

The bloc of neutral and non-aligned states, which includes Sweden, Finland, Austria, Switzerland and Yugoslavia, played a vital role in mediating between the transitiary pacts and Sweden, as the host for the latest conference, seen its role, years ference, sees its role very

much as a bridge-bullder between East and West. The first stage of the Stock holm Conference, which is supposed to last at least until the antumn of 1988, will con-cern itself solely with the concrete measures " aimed at security in Europe.

aiready included in the He-sinki Act, most importantly the requirement that states give 21 days notice of all military manoeuvres involving more than 25,000 ground manoeuvres.

In the mandate for the Stockholm Conference it is made clear that the new measures to be negotiated measures to be negotiated should meet four vital criteria: they must be militarily significant, politically binding, open to adequate verification, and must involve "the whole of Europe as well as the adjoining sea area and air space." a much wider area than applied under the Helsinki agreement. The West takes this definition to mean Europe from the Atlantic to Europe from the Atlantic to the Urals including therefore European Russia.

The second stage of the mandate, namely disarmament, will not even be on the Stockholm agenda until after the beginning of the Vicuna follow-up conference which is due to start in November 1986. Whether the 350-400 delegates can make any progress on the first part of the agenda remains to be seen, but the conference venue—at Stockholm's Sergels Torg in the contre of the city's business and shopping area appears to have a firm book ing for the forescending

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Only a very unusual one. But then, the closer you examine the analogy the more apt it becomes.

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Head Office: S-105 34 Stockholm, Sweden, Telephone: 08-22 23 20 Telex: 12826 SWEDBNK S. Representative Office: The Old Deanery, Dean's Court, London EC4V 5AA Telephone: 01-236 4060. The Government hopes to fight its way out of economic crisis on the strength of an export-led recovery

# Devaluation restores competitive edge

The experts are expertly grave.
And everyone's expert advice is
that everyone else ought to (Piet Hein in Viking Vistas)

1:20 rape ha

SWEDEN'S Social Democratic Government, like its counter-parts in most areas of the world hardly lacks for advice about how much and what it should save. Counsel is given generously by the opposition, the banks, the economic insti-tutes, the Governor of the Central Bank, the advice varying only according to the severity of the cuts envisaged.

It is hardly surprising. In the space of a few years Sweden has become one of the world's most indebted nations. At Research Institute—that there roughly \$3,100 per capita its would be "catastrophic conseroughly \$3,100 per capita its foreign debt works out at four times that of Brazil.

sector than any other western country—total public sector expenditures emounted to 68.1 per cent of gross national product last year, although they SKr 10-15bn (\$1.2.\$1.8bn) a

- F 61 13

1 . 1

are scheduled to show a slight year for several years to come fall this year to 66.6 per cent.

The total public sector deficit control under pressure from still does not rival kaly's or the explosive growth in interest Belgium's but et about 13 per payments, the report said.

"To balance the budget of the central government deficit the consolidated public sector in 1982 and 1983 was close to setting a world record.

Interest payments on the national debt have become the largest single expenditure stem in the budget. In the coming fiscal year 1984-85 interest pay-ments of SKr 65bn will account for no less than 80 per cent of the planned central government burdget deficit of SKr 80.8bn.

#### Warning report

Some of the country's leading economists warned recently—in a report published by the independent Business and Social quences for employment, the current account of the balance It has built a larger public of payments and for inflation" if the Government failed to

western countries. However, Mr Lars Kalderen head of the National Debt Office, admits to serious worries about the implications for coming generations of servicing

the country's inexorably rising mountain of debt. "It could become difficult for my children and grandchildren, and they watch developments with worried eyes. I hope myself that we can keep the boat afloat."

"To balance the budget of the consolidated public sector (central and local government)
70 per cent of gross income in the country would have to be

taxed or collected in the form of other public charges," says Mr Nils Lundgrun, chief econo-mist at the state-owned

PKbanken, the country's third largest commercial bank, "But

the economy cannot work in the long run with such levels of

International bankers still

flock to Sweden courting the

administration assiduously in

hope of leading the next jumbo loan to the Kingdom. Sweden

continues to enjoy one of the best credit ratings in the industrialised world, with bankers convinced that the

country can cope with such very large debt, because at the same

time it also has one of the

highest gross national products per capita, second only to Nor-way and Switzerland among

#### Strengthen

The Social Democrats have made a start in tackling the problem. In a mini-budget last autumn Mr Kjell-Olof Feldt, Finance Minister, delivered SKr 7bn worth of measures aimed at strengthening the bud-get through either expenditure

As a result subsidies have been taken away from many foodstuffs, who have done relatively well in recent years, have been denied compensation for last year's

Kjell-Olof Feldt, Finance Minister: his message to the main spending departments is that new projects are ruled out unless they can be financed without additional borrowing

been temporarily increased, drink and tobacco inevitably became more expensive, and share dealings have been more heavily taxed. Even the sacred cow of foreign aid has not been spared; it has been frozen for 1984 at the 1983 level.

The latest budget plans for 1984-85, published earlier this month, show that the Government has managed at least to halt the trend of continually rising descrits. Public sector expenditures will increase by only half a per cent in real terms in 1984.

Through some imaginative basic foodstuffs, medical Through some imaginarive or innanced without naving recharges are rising, pensioners, financial juggling, the Finance course to additional borrowing, who have done relatively well in Ministry has come up with The Ministry is making progress recent years, have been denied extraordinary once for all too towards limiting automatic compensation for last year's measures to improve cash expenditure increases, by hold-devaluation, wealth taxes have

about SKr 11bn, and this will help to set the budget deficit on a downward trend. The actual deficit is expected to be SKr 80.8bn in 1984-85 compared with SKr 84.9bn in 1983-84 and SKr 86.6bn in 1982-83. As a share of gross domestic product this means the deficit will fall back from the record level of 13.4 per cent in 1982 to 12.5 per cent in 1983 and 10.8 per cent

Mr Feldt has got the message across to the main spending departments that new projects are ruled out unless they can be financed without having re-course to additional borrowing. The Ministry is making progress

# Trade Balance and Current Account

its official 4 per cent inflation target, thus trying to ensure that the high inflation rate of recent years does not become entrenched in the budget.

Despite the stream of outside Despite the stream or outside advice to make bigger expenditure cuts, the Social Democrats have shown in this month's budget that they are not willing to go much further or much faster in dealing with the deficit. They feel they have taken the steps which lie in the realm of the politically possible.

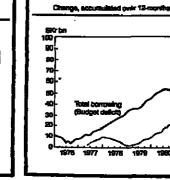
Mr Palme spelled out in a recent interview that it is "an illusion to imagine that it is possible (to reduce the budget

to think that this can lead to dramatic changes. In today's situation we must do everything we can to hold the budget deficit at an unchanged level. Real reductions come from economic growth and a reduc-

tion in interest rates." In essence, the Government has chosen to gamble on growing its way out of the crisis it inherited when it took over office in October 1982.

Its first act was to push through a 16 per cent devaluation aimed at giving Swedish industry a competitive advantage of the sort it had not enjoyed for at least a decade in international markets. Rising exports that would

result from such a competitive advantage should help to reestablish some balance in the country's disastrous payments position with the outside world. while at home the Government aimed to restrain domestic demand in order to hold down inflation and shift resources towards the export sector.



Government Borrowing

to hold down unemployment until the economy can generate enough jobs through higher levels of activity.

So far the strategy has enjoyed a remarkable degree of although obstacles remain. The inflation rate is still well above the level of most of Sweden's main trading partners at nearly 9 per cent, and is gradually eating up the advantages won by the devaluation.

At the same time the trades unions are pursuing wage claims in the current pay round which threaten to jeopardise the recovery if they deficit) by cutting state expendiare granted in anything like ture. There are those who their current form. The Govern-"Of course, one can cut a bit of food subsidies and housing subsidies. But it is a mission of the subsidies are subsidies. But it is a mission of the subsidies and housing subsidies. But it is a mission of the subsidies and housing subsidies. inflation to 4 per cent by the end of 1984.

#### Productivity gains

These problems apart, however, Sweden's economy has entered a phase of remarkably strong export-led growth. strong export-led growth. Although the gross domestic product increased by only a moderate 2 per cent from the third quarter of 1982 to the corresponding quarter last year, industrial output was but a forcorresponding quarter last year, industrial output rose by a far more impressive 5 per cent. Profits in the key export sectors of the economy such as engineering and forest products, are booming and companies are

making large productivity gains as production rises.

Last year exports of goods and services jumped by about 11 per cent in volume and 25 per cent in value, as foreign trade reacted with unexpected speed to both the devaluation and to the continuing strength of the U.S. dollar.

The deficit on the current At the same time a panoply account — formerly the biggest of job creation measures remain problem on the economic hori-



-- was brought down to just SKr 6bn in 1983 from a massive SKr 22.5bn in 1982. This year it is expected to fall further to SKr 5bn. The trade balance alone improved from a deficit of SKr 5.8bn in 1982 to a surplus of SKr 10.9bn last

Exports were particularly buoyant in sectors such as cars. ships and rigs, oil products, computers, forest products, iron ore and chemicals. Exports to the European Community rose strongly, helped in particular by sharp rises in sales to West Germany (up 35 per cent in the first ten months of 1983) and the UK (up 38 per cent), Sweden's two largest markets Helped by the strength of the U.S. dollar and booming car sales, Swedish exports to the U.S. jumped by 57 per cent.

The October 1982 devaluation has done the trick in stimulat-ing activity and setting off an export-led recovery, but it remains to be seen if the Gov-ernment can now win the war against inflation, while at the same time dampening

Kevin Done

# FINANCIAL STRENGTH IS THE CORNER-STONE OF SKANSKA'S WORLD

Skanska is Scandinavia's largest civil engineering and building contractor, with ex-

> The Skanska Group, Consolidated Balance Sheet, December 31, 1982. In millions of Swedish Kronor (SEK), SEK 1,000 = approx US\$ 133 in May, 1983.

> > The Group total turnover in 1982-SEK 11,686 m.

tensive international operations. We are a full-service corporation offering a complete range of resources for construction projects of all types and sizes - from preliminary designing to comple-

Aluminium can production in Malmö. The government has aimed to restrain domestic demand in order to shift

tion of functioning installations. In our international activities we specialize in large, technically advanced projects - on a design-construct or turnkey

We pride ourselves on completing projects fast and on schedule.

Cash in hand and bank balance

Other receivables

Properties classed as current assets

Shares and participation certificates

Properties classed as fixed assets

Machinery and equipment

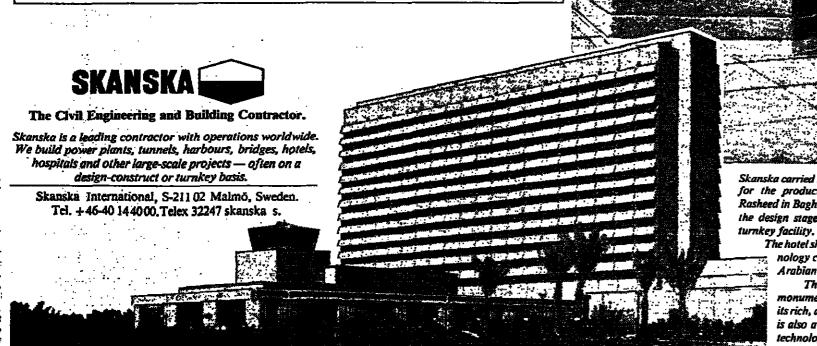
Within Skanska we run a property management business to develop and administer our extensive holdings of office, business and residential properties. Skanska is Swe-

den's largest private owner of real estate. Our financial management operations endeavour to fortify Skanska's established financial strength, which includes large holdings in Swedish industry. Safeguarding our high liquidity - a great asset to our international construction activities - is a fundamental Skanska policy.

16,530

-12,987





Liabilities and Equity Capital
Current liabilities

Billings from commencement

commencement of contracts

Uncompleted contracts

Expenditures from

Long-term liabilities

Net profit for the year

Untaxed reserves

Share capital

Reserves

Skanska carried the entire responsibility for the production of the Hotel Al Rasheed in Baghdad - all the way from the design stage to completion of the

The hotel shows how superior technology can make a palace from Arabian Nights come true,

monument to Islamic culture, to its rich, artistic traditions. But it is also a monument to modern technology, to efficient con-

The building is a modern

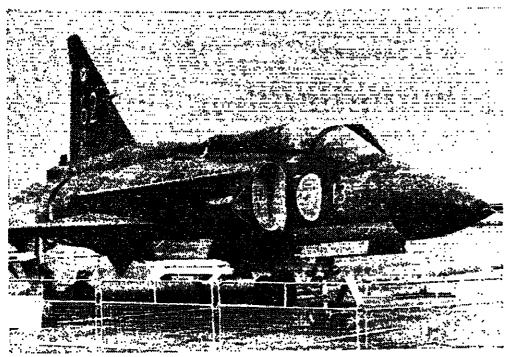
struction technique and administration, The hotel's richly ornamented facade, is composed of prefabricated concrete units, mass-produced at the site. In all, we cast 5,500 units of 330 different designs, using a technique we developed especially for the project.

A large number of advanced technical installations represented another substantial part of the contract.

For the interior we selected materials of the utmost quality. Carefully matched marble. Handmade tiles, glazed

to the perfect shade of bluish green. Solid walnut with inlays of walnut-root. Brass fittings. Stained-glass mosaiques in classical style.

The crystal chandeliers, the textiles, the furnishings and all the other exquisite details of the Al Rasheed's decor were meticulously selected or exclusively designed for this extraordinary hotel. We even put the teaspoons in



The ageing Viggen fighter, which will be replaced by the new multi-role combat aircraft by the year 2000. The first contract was awarded in 1982 for an initial 30. Code-named JAS 39, the new aircraft will be less dependent than the Viggen and Draken on g round support.

#### Fighter replacement due in late 1990s

## JAS project goes ahead

other military budget areas, its biggest current industrial to meet performance, operating flight systems, and British Aero-project—construction of a new and maintenance targets. Sweden is moving ahead with multi-role combat aircraft code-

The project calls for delivery of 130 to 140 aircraft with weaponry and equipment by the ageing Viggen fighter. In all, the JAS 39 project involves a jested costside. The American total of SKr 24.9bn (\$3bn) in share of the fixed price conconstant 1981 kroner.

SKr 10bn contract was awarded by the Defense Materials Procurement Agency to a special aerospace industry group for of the initial 30 aircraft.

Approval came after an extenaircraft would become obsolete before the end of its operational lifetime, which is expected to extend well into the next century. The decision to go ahead gave a breathing space to the aerospace industry — which five years ago had neither a continuing military or commercial construction programme and saved 6,000 of the 13.000

budget targets, and penalties if the single-engined aircraft fails About 35 per cent of the

work has been contracted for outside of Sweden — 27 per cent of which goes to American sub-contractors-and the recent ar 2000 - to replace the strength of the dollar has generated problems on the proshare of the fixed price con-tract is now claiming a large In June 1982, an initial proportion of the funds made available by Parliament.

The government, searching for ways to make up an SKr 2.5bn shortfall, has suggested the possibility of deferring the purchase of 10 aircraft, the cancellation of 25 trainer versions, and cutting back on the weapons systems if the exchange situation does

Decisions on any cutbacks will not have to be taken until later in the decade as the project nears the production

stages.
Major foreign sub-contractors

Major foreign sub-contractors obs in the sector. were announced in June and The Riksdag (Parliament) include General Electric (pro-

BLOOD, SWEAT

OR STEEL, OIL

Many companies buy robots for the wrong reason: They think

robots will replace people. Many

robots for the wrong reason: They

think robots will replace people.

Robots won't replace

people. What they will do is put

tions. They can not only take on

jobs that are dull, dangerous or

accuracy and consistency. They

demanding consistent adherence

to close tolerances. They'll let you

produce products that look better,

are ideal for applications

work better and last longer.

have to hire more people to

profits. And more jobs.

Which means you'll probably

produce and sell more products.

Robots also increase

productivity. Which means more

demeaning.

jobs that are demanding, but also

Robots are capable of great

right inhuman working condi-

other companies do not buy

AND GEARS.

Robots generally work at

about the same pace as humans.

without breaks, sick days or vaca-

tions. Their up-time averages over

98 percent, compared to less than

75 percent for the average worker.

And they work for 6 (rather than

robots become workers' helpers

workers are freed to utilize their

rather than replacements. And the

helpers to do a greater number of

jobs. That translates into increased

productivity of 10 percent in some

But the best way to regard

plants and 300 percent in others.

robots is to compare them with

other machines, not with people.

Robots are widely used through-

other large assembly plants. But

reprogrammed to do a variety of

jobs they are also ideally suited

for the 60 percent of manufactur-

ASEA

because robots can easily be

out the automotive industry and in

15) dollars an hour. But most

But they work three shifts a day,

AND TEARS,

ducing the F-404 engine which powers the F-18), Lear Siegler which is handling electrical space which was chosen over Rockwell to develop the all-

composite wing.

Delays on the wing selection mean the project is now two to three months behind schedule, and the government schedule, and the government of has deferred payment of SKr 150m from this year's budget to compensate, but the general crimp on defence expenditures has not yet iffected the zircraft.
In Sweden, the JAS Industry

Group is led by SAAB-Scania, which is responsible for twothirds of the work including sirframe construction and systems integration. Volvo is co-producing the engine with GE. The Ericsson Telecomputations munications group is producing the radar, sensor equipment, target acquisition systems and cockpit displays together with other foreign contractors.

Like the earlier Viggen and Draken aircraft, the JAS 39 Grippen is designed to perform antack, intercept and recon-missance missions, but is to be es dependent on ground

David Brown

Squeeze coincides with drastic re-think on military priorities, Kevin Done reports

# Painful cuts in defence spending

SWEDEN'S DEFENCE spend. forces in the region, thus helping is in a state of disarray as the military authorities wage an the military authorities wage an unequal battle against an overvalued U.S. dollar, devaluation of the Swedish currency and Government determination to oursue a restrictive budget

Exactly how much money is lacking to meet the commitments involved in the last big defence review of 1982 is unclear, but estimates suggest that recent economic developments have cut as much as SKr 5bn (\$609m) from the armed forces' purchasing power over the years from 1984 to 1989. For this year the military will only be allowed a maximum of 4 per cent compensation for inflation, when even the most optimistic forecasts suggest that inflation is unlikely to fall below 5.5-6.0 per cent. The defence budget has been

delayed for three months until March to allow a parliamentary committee time to examine the defence staff's spending plans, but it already appears clear that the military planners are facing

painful cutbacks.
The financial squeeze has come at an unfortunate time. Traditionally, Swedish defence strategy has been based on countering the threat of invasion, but the repeated incur-sions by foreign submarines into Swedish territorial waters over the past three years and the armed forces' apparent in-ability to prevent such viola-tions has forced a drastic re-think of military priorities. Too little provision had been made previously for anti-sub-marine warfare and the defence forces have been shown to be woefully ill-equipped for this

woefully ill-equipped for this task, particularly in the difficult waters of the Baltic.

Mr Olof Palme, the Prime Minister, admits that the intrusions go "to the heart of our neutrality policy." Swedish security policy has been founded on the tenet of "non-adhericate to alliances in page. adherence to alliances in peace-time, aiming at neutrality in case of war," but the military capability to guarantee its neutrality has been a vital fac-

tor throughout this period.

Sweden forms a military buffer in the Nordic region between Nato and the Warsaw Pact states. It has been thought that as long as Sweden has sufficiently strong military re-sources to prevent either side from using it for military transit, then both military alliances can maintain a lower level of

ing that is too small for dedicated

assembly lines. In many small and

medium-lot manufacturing pro-

cesses they can improve product

quality while cutting costs by 80

buy robots should be heavily

already have or will have.

influenced by the machines you

Inefficient production lines with outdated machines will not be

made much more productive

with robots. If the machines per-

forming operations before and

after the operation you're consi-

dering robotizing can't work three full shifts at a robot's pace, don't sandwich a robot between them.

You have to have full-time work

for robots for them to be a sound

Going or not going to robots is a difficult decision. We can

ASEA robots working reliably in

more than 30 countries. Beyond

that we can tell you quickly and

are a good investment in your

plant. We can show you proven

ways to get the most out of them

in specific applications. And, if robots make good sense for you,

make good sense to your people.

And we can train your people to

get the most out of the robots you

We can also promise you

that we'll be here tomorrow to ser-

vice, replace or add to the robots

you buy today. We have the expe-

we'll be one of the few companies

that will survive in this hotly com-

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rience, size, commitment and

financial stability to assure that

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definitively whether or not robots

We have excellent products, to be sure, proven by over 2,000

make it a lot easier for you.

The decision to buy or not

or even 90 percent.

investment

a weakness or some form of military vacuum in Sweden. then it might well be encouraged to step up its own presence in the region. Sweden, with a fairly high level of defence spending - ranging around 3-3.5 per cent of gross domestic product in recent years—a substantial domestic armaments industry, and a determination to develop and produce as high a proportion of its equipment needs as possible domestically, has sought to give substance to its policy of strong "total defence," which can protect its independence and neutrality.

#### Confidence

Two developments have begun to gnaw away at Swedish confidence, however. On the one hand Stockholm has shown itself so far to be powerless to prevent the repeated violation of its territorial waters by foreign submarines. On the other hand, the deployment of cruise missiles by the Nato alliance in Western Europe has raised questions about the country's ability to protect its airspace and prevent the passage of such missiles.

The problem of dealing with cruise missiles is still new, but as part of large-scale military manoeuvres during the autum last year, the defence forces did practice shooting down such miviles both from the ground and from the air using low flying aircraft to simulate the

ing to live with the problem of submarine intrusions for rather longer. It was in October 1981 that a Soviet Whisky-class submarine, thought to be carrying nuclear weapons, ran aground on the rugged southern coast close to Karlskrona, one of the country's most important naval bases, providing the most tangible evidence yet of Soviet submarine activity in sensitive Swedish waters.

A year later the Swedish Navy discovered evidence of further foreign submarine activity, which was subseactivity, quently substantiated in the report of a Government com-mission, which laid the blame for the intrusions firmly on the Warsaw Pact. The report stated that six submarines from Warsaw Pact states — most probably the Soviet Union—had been active in forbidden Swedish waters.

Operating chiefly in the Stockholm archipelago, three of the submarines were said to be "manned midget submarines with a bottom-crawling capacity of a hitherto unknown published a series of photo-graphs showing track marks on the countless thousands of the seabed and revealed that islets and rocky outcrops dotted one of the mini-submarines was believed to have penemated to the heart of Stockholm. In two subsequent reports

Commander of the Armed Forces, has confirmed conforeign submarine activity during the summer and autumn of 1983, but he has being responsible.
Mr Anders Thunburg, the

Swedish Defence Minister, has stressed on numerous occasions that the Government would do everything in its power to stop the violations in order to the violations in order to of reducing the Navy's become master in its own preparedness to meet a full-



Above: Bror Steffenson, spokesman of the Chiefs of Steffenso Staff, gives a press con-ference after Swedish forces helicopters depth-charged a suspected foreign submarine (right) in 1982. The intruchallenge Sweden's long-stand ing policy of neutrality and have shown that the defence forces were inadequately prepared for anti-submarine warfare. New funds are being made available to strengthen this weakpoint but much of the money is coming from a re-organisation of the Navy budget. Naval training is also being altered.

house" again, but he admits that it will be several years before the Swedish Navy has the proper equipment and trainperform the task adequately.

Submarine defences are being strengthened gradually, how-ever, and Mr Thumborg has warned that "any power de-liberately violating Swedish territorial waters must take the whole risk and the whole responsibility if a submarine and its crew come to harm."

Uncomfortably for Swedish authorities, it has become clear that Sweden's Baltic coast offers an ideal environment for secret submarine operations. The traditional hydro-acoustic equipment developed for hunting submarines in deep seas with comparatively level bottoms does not work well off the rugged Swedish

#### Variations

Sudden variations in water along the coast, abundant civilian sea traffic and wrecks littering the seabed combine to make ideal conditions for intruder submarines.

Nevertheless, the Govern-ment has decided to devote about SKr 1.2bn (\$146m) to activity during the summer and autumn of 1983, but he has been more cautious about accusing any one nation of being responsible.

Me Anders Thursberg the summer and strengthening the country's entiresthmarine warfare capacity over the period from 1982 to 1989. New funds are being made available, but much of the money is coming from a reorganisation of the Navy budget. The Supreme budget. The Supreme Commander has accepted that this must be done at the cost

On several occasions the Navy has exploded mines and depth charges against suspected intruders but without effect. Part of its new funds are being devoted to the development of new types of torpedoes and depth charges especially devoted for the development of the development

scale invasion of the country.

designed for use in the difficult conditions posed by the Baltic coast. These are expected to be ready for operational during the spring. Naval training is being aftered with the express aim of schooling personnel for anti-submarine waxfare and phone buoy systems, permanent

underwater recommissance systems, and improved data analysis systems are being added. The ordering of four new mine-hunding vessels equipped with special high frequency sonar for hunding mini-submarines and the mini-submarines and the equipping of four more helicopters for anti-submarine wantare has been speeded up.

available to meet the submarine menace, the less is available for other parts of the Defence is considering how t hard-pressed military establish-

The biggest problems are faced by the Air Force, and the supreme commander has warned recently that a number of the older Draken J35 fighter squadrons will have to be scrapped, if none of the requested extra SKr 5bn is granted. divisions remain in service well into the 1990s, and if they are scrapped Sweden's fighter plane capacity will be reduced by around 25 per cent. It will hardly be possible for the Air Force to provide air

with the remaining eight squadrons of Viggen fighters and attack planes. Already it has been decided to sell one Draken division to neighbouring Finland in a deal thought to be worth about 5Kr 40m.

Worth about SRI span the Navy's capacity for conducting opera-tions on the high seas has been drastically reduced. Sweden has had no cruisers for about 15 years and the last two destroyers are mothballed waiting to be scrapped. Naval resources have now been concentrated on submarines, fast missile boats and patrol craft.

#### **Battle tank**

For the Army the squeeze on modernisation of Sweden's main hattle tank, the S-Tank, new anti-tank ammunition and mines, new electronic warfare equipment and the purch a new version of Sweden's missile 70, RBS 70, an antiaircraft sys both day and night.
A group in the Ministry o

all-embracing conscription system, under which all male between the ages of 18 and 4 have to take part in activ lasts at least seven and a-ha months.
The Ministry insists th

there are no plans for abolising conscription—theoretical Originally these ing conscription—theoretical were scheduled to a total of nearly 800,000 ms hours—but the military authories are keen to rational further the number of edutional and training establisments scattered about t

Tighter government supervision expected to moderate market boom

## Explosive growth in share values

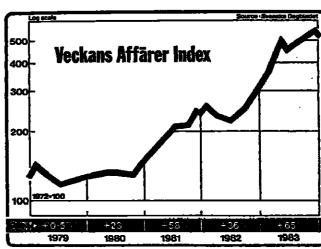
STOCKHOLM'S Stock Exchange was one of the four Nordic bourses which topped the world in a year of explosive growth. The value of shares on the Stockholm Exchange climbed 65 per cent from the start of 1983 on the Veckans Affarer Index. Heading the boom were forest products listings (up 103 per cent), mines (up 84 per cent), and chemicals (up 68 per cent). Among the individual companies, top performers in-cluded ASEA (up 126 per cent), PLM (up 124 per cent) and Electrolux (up 124 per cent). There are signs, however, that the boom may begin to moderate. Furthermore, the hitherto self-regulating market is likely to come under much tighter government supervision in the wake of a series of financial scandals.

The spectacular climb in share values - over 400 per cent since 1981 - was led by a surge in domestic small investment, and later fuelled by keen interest from abroad.

Foreign share issues of SKr 3.8bn (\$463m) last year helped the total level of new issues — at SKr 10.7hn — double the levels achieved during all of the 1970s.

Foreigners — mainly British and Americans — are the largest single group of buyers. However, the level of net purchases declined from SKr 4.7hn for the first six months to only SKr 794m for the five months from July to November. If this trend continues, it will clearly tainable pace of new issues this

New government plans may



Democrats have instituted an "everyman's savings plan" to is the export-led corporate replace an earlier non-socialist profitability (rooted in the 16 scheme which gave a better tax per cent devaluation 15 months rebate on savings in unit trusts.

That earlier plan played a key role in initiating the boom in share prices, and has drawn a total of some SKr 10bn on to 5 per cent of its total present

This means the small saversthe second largest group of net buyers after foreigners - are likely to start drifting away from the market this year, brokers say.

Perversely, perhaps, a pos-sible counterbalance may be the controversial wage earner funds—the tax-financed union-controlled shareholdings which are to draw an annual SKr 2bn on

take a toll as well. The Social to the market starting this year.

dustrial sales are up 20 per cent on the average, The government is hoping that low wage increases will help maintain this export price advantage, but early indications suggest labour costs may rise as much as 12 per cent, or double the government's target. Stockholm's emergence from 2 sleepy backwater of part-time

ago) which has surged to its highest levels in a decade. In-

trading into a world-class exchange has brought a number of problems, both ethical and

On the technical side, trading volume has grown so explosively. (1978, SKr 2bu; 1982 SKr 27bn;

securities clearing house been unable to keep pace. B in a new computer registry i tem, now largely cleared, for the exchange to close its do for a total of 13 working de Thus far, Sweden's clos knit business community has mained largely self-regulati but changes are on the W In late November, the sect ties industry stock exchar committee introduced rules govern the disclosure of lar share transactions in an eff

However, the government now committed to introduct new legislation to beef up enforcement powers of its Ba Inspection Board. Among other things, the new law will ma-insider trading a crimit

The government has al turned to the stock exchange help solve its own budgets problems, and late last year troduced a new capital gains t for Swedish investors and a ne general turnover tax of 1 1 cent (to be divided equal

between broker and client). None of these measures see to have had much of an i pact on the boom so far, atthe surging stock prices argrowing internationalization.

Swedish business have led number of companies to brow the perils of Swedish regulation

اهكذا صناتهل

Reactions

to stave off government int

and seek listing on the Stocholm exchange. These inclut.
Norsk Data of Norway, an
Kone Wartsila and Nokia (

David Brown looks at the controversial issues of providing jobs, future pay bargaining, and changes in industry's ownership

## Wage model questioned

"Swedish model"—a system of highly centralised wage bargaining which has helped ensure an enviable post-war record of labour-management peace—his been called into an arrest of the question as a result of the refusal by the country's largest irades union confederation, the LO, to negotiate with its counterpart ampliances of the counterpart of t

employers group.

Mr Stig Mahm, leader of the 22m hime-collar workers grouped in the LO, charged the employers organization SAF with trying to drive a wedge into the labour movement by alleaving same of its ment by allowing some of its members in better-placed in-

members in better-placed industrial sectors to offer
higher pay to certain unions
in last year's pay round.

This year, he is attempting
to oversee a series of
decentralised negotiations
between each of his 24
affiliated unions and their counterparts, on the basis of

a common pay claim.

Both sides have warned that the move could lead to more contentions and timeconsuming negotiations, threatening the government's hopes for a stable labour climate and a moderate settleinflation and fuel economic

The decision marks a dramatic shift in a 30-year tradition of labourtradition management relations in Workers and emplayers' groups agreed in 1938 to conduct broad talks on the labour market to forestall government inter-vention. By 1956, these talks had been expanded into centralised national pay

A key feature of this bar gaining has been the LO's policy of "wage solidarity," which has narrowed the relative pay spread in the LO-SAF sector to 30 per cent of its 1960 level.

The policy—always faulted by SAF for falling to reflect

the wide variations in corthe wide variations in cor-porate profitability—came under heavy fire last year. The engineering industry and the powerful engineering workers union Metall broke away to conclude their own settlement in advance of the central agreement.

This year, Mr Mahn will try to keep his house in order. In practice, this has meant a higher wage demand (7 per cent) in order to satisfy the better-paid workers in LO, make up for three years of declining real incomes, and keep pace with the white-collar workers.

#### Succeed

Whether he will succeed is an open question at this early stage—SAF says it can pay no more than 1.2 per cent. "No one wants conflict." he said recently, "but SAF has sown the wind, and they will now most likely reap a whirl-wind."

His decision affects more than half of Sweden's highly unionised workforce. Some 90 per cent of all blue-collar workers are affiliated with the LO. The TCO is the dominant LO. The TCO is the dominant white-collar federation, with some 75 per cent of these workers, while government officers and prefessionals (60 per cent of whom work in the public sector) are affiliated with SACO/SR. Public and private sector members of both white collar unions are represented by separate negotiating

Introducing element of uncertainty, the whito-collar workers have abandoned the two-year contracts they signed last year because of government changes in a marginal tax reform package. The changes partly LO inspired—will cut the tax relief they would otherwise have enjoyed and prompted them to demand renegotistion for a total of 1.2m workers.

## Row on wage earner funds

JANUARY saw the start of the controversial "wage crats with the help of the

Communists.

The scheme, which has been hotly debated in Sweden for nearly a decade, is a somewhat scaled-down version of the original proposals.

Under the new plan, the labour movement will take a significantly broader role in the cantrol of industry, now about 90 per cent privatelyheld, through five taxheld, through five tax-financed funds which are to invest mainly on the stock market.

Control of the funds — which are broken down according to region — will be in the hands of government appointed boards which by law must be controlled by labour interests.

The government has introduced the measure hoping it will persuade the unions to moderate their wage demands This is essential in the fight to hold down inflation and protect the export price com-petitiveness which was bought by a 16 per cent develuation 15 months ago.

Companies are reaping record profits as a result of the devaluation and the government wishes to strengthen the labour move-ment as a whole rather than the salaries of individual workers in the more successful industries. "It is unreasonable that wage earners should not get a part of these profits," the Prime Minister

#### Guarantee

The funds are also supposed to cure a range of other ills. They should lead to a more equal distribution of wealth, guarantee the availability of risk capital, increase companies' readiness to invest and secure jobs for

• They will be financed by a 20 per cent tax on so-called excess corporate profits, and by a much smaller increase in the employers' payroll tax;
• Local trade unions are entitled to receive 50 per cent of their voting rights in a shareholding from the funds;

The five funds — together Incurance Fund - will not be allowed to hold more than 49 per cent in any single corporation; and, • The funds should aim for a real rate of return of 3 per

cent and the earnings are to be used to finance the Swedish Pension system. The fact that opinion poll after opinion poll has shown a majority of Swedes to be opposed to the idea has not deterred the ruling Social Democrats. Nor has the bitter epposition of the business community and the non-socialist political parties. Mr Palme invited them last animm to talks on the economy and wage earner funds but most fiatly refused to come. "I am a consensus politician. I like to put together compromises," Mr Palme said recently. "We should have been able to

disaffected with the excess

of the welfare state and what he calls the Social Demo-cratic "blg brother" policies. With the election still 20

with the election still 20 months away, the Social Democrats' standing in the opinion polls has dropped to a low 41 per cent (against 45.6 per cent a year ago), while the non-socialist opposition has climbed six points to

51.5 per cent.
The new law has failed to win the labour support Mr Palme had been seeking—the

present pay claim would increase labour costs by about

12 per cent or double the government's target figure.

Oddly enough, investors seem to be unconcerned.

Share values on the Stock-holm bourse grew without slacking throughout last year.

The reason may be that the SKr 2bn the five funds

draw on to the market every year until 1990 will offset

the outflow of share savings

expected to follow new tax changes for small investors. The Social Democrats hope that by limiting the scape and

duration, they can insinuate

wage earner funds into the

Swedish system without

serious political fallout. The

opposition parties are bet-ting that Mr Palme has gone

solve this question but . . . if I'm forced to fight I will." I'm forced to ngnt i with."

Mr Ulf Adelsohn, leader of
the conservative party
(Moderaterna), responded:
"The Government cannot of tariffs, however. expect a consensus on economic policy when at the same time it is stubbornly pushing through the most controver-Such restraint has not been exercised in the international time it is stubbornly pushing through the most controversial political question since the war."

Based partly on the wage earner funds issue, Mr Adelsohn's party is trying to emerge as the standard bearer for Swedes who are discreted with the excesses.

pulp and sawn product markets, however, and Swedish exporters have regained considerable market shares over the past year, particularly from their Finnish and North American zivals.

the moment — unlike neigh-bouring Finland — its problems of domestic timber supply and it is now having to import only marginal quantities of raw materials. "This year we think we can run at full capacity and

strong in the U.S. and the Far East, it should be a favourable

be an exceptional year for saw mill products, chiefly sawn and planed softwood. Deliveries jumped to 12.2bn cubic metres, the highest level since 1974 and stocks are being run down substantially to cope with

Pulp production rose by 13 per cent to 8.7m tons last year,

## Crisis package aims to cut unemployment

SWEDEN'S UNEMPLOYMENT rate at 3.4 per cent is the envy of most industrial countries it compares with 11½ per cent in the UK, 10 per cent in Italy and about 8½ per cent each in France and West Germany. However, this is the highest rate in Sweden's post-war history, and it promises to remain a major political weakness of the Social Democratic

ness of the Social Democratic government, which came to office 15 months ago on a platform of "full employment."

Already under budget pressure from is bloated central government deficit, the administration is being forced to devote ever-increasing sums to keeping the jobless rate in check. Beyond the 147,000 officially unemployed, an additional 4 per cent or 180,000 tional 4 per cent or 180,000 workers are occupied in the so-called labour market pro-

further emergency initiatives costing a total of SKr 16.2bn. The total corresponds to more potential long-term consethan 11 per cent of government outlays—well above the 6.5 per cent three years ago.

In October, the government sanounced a crisis jobs package that included a controversial programme which virtually outlays joblessness government is attempting to government is attempting to create an additional 40 0000 news



Sug Maim, leader of the blue-collar workers in the LO, which rejects short hours day in communal work brigades workers are occupied in the socalled labour market programmes,
Last years' budget for these
programmes, SKr 17.2hn
(\$2bn), was supplemented by
further semantics, in the OECD,
in order to receive their welfare
benefits. This measure affects
some 25,000 young people,
according to the National
Labour Market Board (AMS).

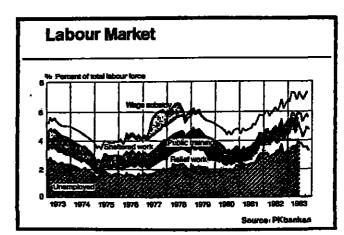
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benefits. This measure affects
some 25,000 young people,
according to the National
in order to receive their welfare joblessness among youth remain a major problem, with include the investment funds potential long-term conselegislation which gives tax quences. In Sweden, 50,000 of breaks to corporate profits set the openly unemployed are aside for counter-cyclical investments the use of 25-77 per section.

among school leavers up to the create an additional 40,000 new The core of Sweden's labour age of 19. They are now jobs with an SKr lbn recruit- market programme is relief required to spend four hours a ment subsidy. For six months work and retraining pro-

starting in January, it will pay half an employers' wage costs for creating new jobs ahead of schedule. Sweden has one of the world's highest rates of employed women as a percentage of the total workforce 48.5 per cent compared with 42 per cent in the U.S. and 38 per cent in both the UK and West Germany. Of all wage earners in Sweden, 3.5 per cent are worksweden, 3.0 per cent are working part-time against a preference for full hours. Well over one-quarter of the 4.3m strong labour force works less than 35 hours a week. The countries' largest trades union confederation the 22m member 10 tion, the 2.2m-member LO, officially rejects short hours as

a solution to joblessness. ceiving.
In October, however, the government sent out a memorandum to public sector employers encouraging them to take a "generous attitude" towards applications for leave or part-time hours, in order to fill the slots with new temporary workers.

ments. Troubled industries such as textiles and shipbuilding receive "respite orders" to pro-vide breathing space before plant shutdowns or rationalisa-tion.



grammes. In December, some task of bringing the figure down 80,000 were working in the to what in Sweden is conrelief programme—which involves mainly construction and
municipal works projects but
On the basis of its 1984-85 wolves mainly construction and municipal works projects but also work in schools and hospitalso work in schools admit this is "a shourt 3 per cent next tals. This figure is up from 39,500 in September. A further 39,000 were being paid while receiving mainly vocational train-

#### Education

"Job applicants . . . must primarily be offered jobs and education," said Mr Allen Larsson, director of the AMS. "Cash assistance . . . should be exercised only as a last resort." Nonetheless, cash unemployment payments, at least SKr 5bn last year, have climbed more than 40 per cent.

ember unemployment largely unchanged—due elmost exclusively to emergency government measures—and Mr Olof Palme, the Prime Minister, boasted recently that the government (especially public) services has been able to stop the climb. sector of 16 per cent to 61 per

drop to about 3 per cent next year. However, Labour Depart-ment so urces admit this is "a point of some optimism." To reach this level, the expected increase of 25,000 new job seekers will have to be offset by 40,000 new places—provided the economy performs as planned.

The Swedish Federation (SAF) regards the forecast with scepticism. It says there is unlikely to be any appreciable increase in the number of new places next

The number of people em-ployed in industry has dropped 1960, corresponding to a considerable increase

## Forest products restructured

industry have improved rapidly industry as the leading Nordic following several difficult years.

Swedish pulp and paper mills are well-placed to achieve of pulp, paper and sawmill much higher profit levels helped products after Canada and the by a far-reaching restructuring U.S.

Sweden is in eighth place among world producers of profitable units have been paper and board with newspectation for about a profit economic of the control of the c closed down in Sweden in recent years than in any other country," says Mr Bo Wergens, director general of the Swedish

Pulp and Paper Association.
In the pulp sector 39 units were closed down in the years from 1970 to 1982, reducing the total from 98 to 59. At the same time new plants have been built allowing a more economic scale of production and the capacity per unit of existing plants has been infrom 98,800 tons to 163,100 tons Total pulp capacity has been enlarged over the period to 9.6m tons from

At the same time paper capacity has grown to 6.8m tons from 4.7m tons at the beginning of the 1970s and here too mills have been rationalised. The number of plants has been cut from 88 to 57 despite the 45 per cent boost in total espacity.

The stock market has reacted sharply to forest product group's improving financial performances and the sector outstripped all other major industries on the Stockholm stock exchange with a rise of the control to the stock of t just over 100 per cent in the sectoral share price index. Svenska Cellulosa (SCA), the country's largest forest group, boosted its profits by 54 per cent in the first eight months of 1983, for example, while MoDo, Sweden's third biggest forest products concern, has bounced back into profit after dropping heavily into losses in 1982.

We can run at thir tapacation seed from Swedish forests," Mr Wergens says.

For 1984 the Swedish forest products industry expects to be running at the highest capacity levels for nearly 10 years. "With an improving West European economy and markets strong in the U.S. and the Far Svenska Cellulosa (SCA), the

Sweden's forest products industry has been winning back international market shares, helped importantly by the 16 per cent devaluation of the krona 16 months ago as well as by the strength of the U.S. dollar, the currency used for much of the industry's trading. Prices too have picked up after the drastic falls of 1982, and Swedish producers expect that further price increases could be led by their North American rivals during 1984, At present the Swedish pulp

non-European markets such as of pulp rose even more strongly the Far East, increased sub- to SKr 8.1bn, a rise of 26.5 per stantially last year. The total value of Swedish in volume. forest product exports amounted

a jump of 22.6 per cent. The industry accounts for about 20

WITH THE recovery in the per cent of Sweden's total international paper market well exports, second only to the under way, the fortunes of the engineering sector. It occupies products a key position in the world

print eccounting for about a quarter of Swedish paper exports. It is traditionally the biggest supplier of sack kraft paper to Western Europe with a market share varying between 40 and 50 per cent.

The country's paper exports to the European Community have been helped by the progressive reduction of tariffs, which were finally removed altogether at the beginning of this month. It has slowly increased its abare of EEC paper consumption to about 10 per cent from 8.5 per cent in 1972. It has been wary of taking too much advantage of its current strong competitive position in European paper markets during the phasing out

Sweden has also solved for

year," according to Mr Wergens.

Last year already proved to demand.

Exports of paper and board were worth SKr 17bn last year, an increase of 17.2 per cent At present the Sweman part and paper mills are inter- an increase or 11.2 per cent increase in nationally very competitive and with a 5 per cent increase in nationally very competitive and volume to 4.65m tons. Exports to SKr 8.1bn, a rise of 26.5 per cent in value with a similar rise

Kevin Done



Devaluation has helped manufacturing to expand again and many groups are making profits as recovery grows

## Industry on road to recovery

cratic Government's economic strategy, when it returned to office 16 months ago, and in the short-term at least its policies have met with considerable

October 1982, industry's fortunes have improved rapidly. The long decline which characterised much of the decade up to 1982 has been halted. Industrial production has begun to expand again. has begun to expand again, corporate profits—particularly in the export sector—are booming, big productivity gains have been made as kile plant capacity has been brought back into operation and all the signs are that industrial investment will begin to pick up again during 1984, albeit from a very low level.

The task was to bring industrial development as quickly as possible into a new period of growth." says the Finance will begin to pick up again during 1984, albeit from a very low level.

Government in the autium of petitive position in Sweden since the beginning of the 1970s did not give particularly good grounds for optimism about the chances for optimism about the chances these ends was a devaluation.

of "reindustrialising" Sweden,
The level of industrial production was lower in 1982 than
in 1973. From 1970 to 1982 it
had grown by only 10 per cent while in the European member states of the OECD industrial

of labour costs in the mid-1970s at many companies had been no priced out of their markets, and Government subsidies to de-clining industrial sectors de-layed the process of restruc-

The position in 1982 was still Helped by the dramatic 16 investments dropped by 17 per er cent devaluation in cent, output fell by 2.5 per cent, further 3.6 per cent, increasing open unemployment and adding

the level.

The task facing the new and to improve industry's comment in the autumn of petitive position in international markets so that the massive employment could be expanded

lative prices of Swedish pro- petition.

joyed for more than a decade.

Europe- offering Swedish exporters the prospects of selling in expanding international markets. At the same time, the threat of much higher imported inflation has been diminished by such factors as falling real oil prices and low inflation rates for many of Sweden's main

#### Good shape

Parts of Sweden's industrial base, such as the shipyards, steel and iron ore, had been dealt severe blows by the worldwide crisis in these sectors, but other key industries have em-erged from the recession in remarkably good shape. The flagships of the key engineering sector, companies such as Volvo and Saab-Scania

could be reduced or even in automotive engintering and eliminated.

The chosen tool for achieving and Asea in electrical engineer-these ends was a devaluation, whose scope shocked Sweden's Nordic neighbours, but which as SKF, Alfa-Laval and Alaxa. achieved the immediate aims of Copco have performed impres-dramatically lowering the resively against stiff world com-

Some such as Atlas-Copco are output had climbed by 25 per Together with the earlier at the end of the recovering cent. With an explosion of smaller devaluation of 1981, trade cycle and still have tough

Swedish industry was suddenly restructuring tasks to complete Swedish industry is concerned but most of the big engineering that the current wage negotiations could result in inflationary are enjoying booming the current which would eat groups are enjoying booming tions could result in inflationary profits and rising demand for settlements which would eat their products. The important away much of the competitive The devaluation could scar their products. The important away much of the competitive cely have been more happily forest industry has seen a dra- advantage won through the timed. The world economy has matic transformation in its devaluations. While the results started to pick up—if in rather fortunes over the last 18 of the wage round may not be fragile fashion in Western months, while Sweden is also known until last 18. months, while Sweden is also known until late February or showing a continuing ability to March, most of the short-term

> Despite the fact that Sweden has been ruled for most of the of 1982 and last year managed last 50 years by a succession of a rise of 4.5 per cent, helped Social Democratic Governments by booming foreign demand that have gradually built the which caused exports to rise by that have gradually built the most expansive public sector and probably most highly-developed social welfare system in the world, the ownership of industry has largely remained in private hands. Sweden's version of socialism has only turned to nationalisation as a months to the end of September 1998.

last resort to try to save dying

intensive sectors such as chemi-

cals and pharmaceuticals.

industries.

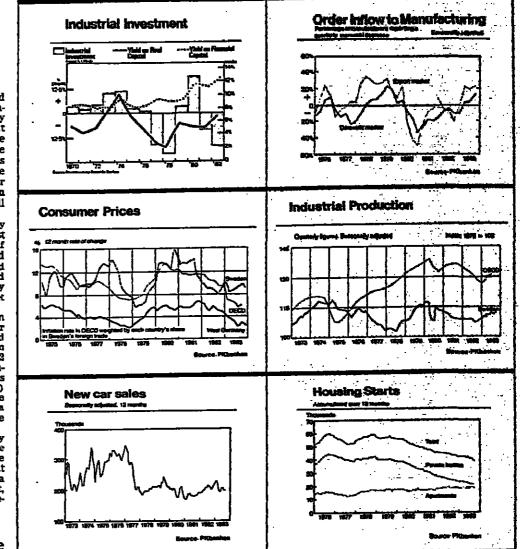
The vast majority of all Swedish companies — about 85 per cent of all companies with more than 50 employees—are privately owned. Such groups provide three-quarters of the jobs in the business sector. Foreign-gwed enterprises Foreign-owned enterprises account for just 0.5 per cent of the total number of companies in Sweden, but many are large concerns and together they account for roughly 10 per cent of the value-added and 8 per cent of the employment in the business sector.

innovate new products in economic indicators are still research and development positive. Industrial production rose by

6.5 per cent between the first half of 1983 and the second half

major industrial markets and industry's capacity utilisation jumped by 5 per cent in the 12 months to the end of September. For 1984, Sweden's Confederation of Industry (SI) expects industrial output to rise by 3.5 per cent helped by a further 3 per cent rise in the volume of industrial exports. Further gains in productivity of about 3.5 per cent are expected this year, while the decline in industrial investment could finally be halted with a rise of some 5.5 per cent, according to the SI's latest fore-

Kevin Done



SPECIAL STEELS

## Rationalising for Europe Boom

SWEDEN'S stainless steel industry has agreed on a broad rationalisation programme which will give it significant shares of the West European market. The agreement puts Sweden's entire special steels sector on an unusually competitive footing with its continental

competitors.

Under the agreement, the Sweden's Johnson Group, Sweden's largest privately-held company, is to buy up the stainless steel operations of Uddeholm and Fagersta for SKr 460m (\$56m) in convertible notes and become one of the leading manufacturers of welded stainless tubing, strip and hot-rolled plate with expected sales of SKr 5bn this year.

ndvik, the cemented carbide and special steels group, will create a wholly-owned subsidiary, Sandvik Steel, to press forward with its protubes, strip and wire, with a forecast annual turnover of SKr 3bn almost entirely for

competitive motive for overlapping production facilities. After losses of SKr 400m on 1982 sales of some SKr 5 bn, the steelmakers will now shut

the steelmakers will now shut down two smelting plants and two cold-rolling mills.

The restructuring will involve major costs — not least those stemming from the layoff of 1,500 of the workforce (15 per cent) — which could reach as high as SKr 700m.

Despite the costs, the steel-makers are gambling that the cutbacks will let them reach their potential — because of heavy modernisation investments in the 1970s nearly 80 per cent of total output is now continuously cast.

Cuts in over-capacity will not affect actual output—in the stainless sector between 200,000 and 250,000 tonnes in port to Europe. Elsewhere in the industry,

tooling steel has been concentrated at Uddeholm Tooling with sales of about SKr 1.5bn last year. Stainless strip output was earlier merged into Uddeholm Strip. Fagersta and Uddeholm share a 55-45

specisteei operation with sales of SKr 500m and an output of some 15,000 tonnes of high speed steel. With a 22 per cent market share, the company hopes to break even this year after extensive rationalisation.

rationalisation.

There is some remaining competition between SKF and Sandvik in seamless tubing, and Fagersta in wire products. However, ball and roller bearing production is concentrated solely at SKF. Bearing division sales were SKr 10.4bn in 1982 and SKr 12.1m at the nine-month point last year, The lowpoint last year. The low-alloy special steel division—a market leader in bearing steel produced some 400,000 last year worth

SKr 2.3bu.
The 1.3m tonnes of special steel produced last year accounted for three-quarters in terms of cent of the total Swedish output. This compares with less than 14 per cent in the UK, 20 per cent in West Germany and 16 per cent on the average in the EEC.

MECHANICAL ENGINEERING

## Still awaiting an upswing

effects of an economic upturn in number the U.S. and Western Europe. SKF, with sales of SKr 14.3bn (\$1.7bn) in 1983, is the world SKF capital expenditures, market leader in ball and roller up 13 per cent to SKr 463m, bearings, and is eagerly await-ing an upswing after more than a decade of declining demand included redesigned angular from recession-hit customers in contact bearings, a weight and its main markets (Western Europe and the U.S.), and stiff price competition from Japanese manufacturers.

At the nine-month point, it division. pointed cautiously to an

the current 43,000.

included redesigned angular space-saving rotary actuator, and development of a titanium-

with strong links to the

improvement in roller bearing with 1982 sales of SKr 7.9bn, demand in both top markets, posted a profit for operations. However, the cost of idle in its third quarter. It said the capacity and short-time work economic recovery has started

The Euro-Bank

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Danmarks Sparekasser A/S, Copenhagen; Girozentrale und Bank der öster-

reichischen Sparkassen AG. Vienna; Skopbank, Helsinki; Swedbank, Stockholm;

Union Bank of Norway Ltd., Oslo; WestLB International S.A., Luxembourg,

**Nordic Countries** 

TWO OF Sweden's top operating results—down 12 per its business areas. These sectors in manufacturing is the mechanical engineering groups cent to SKr 1bn for the first included air power machines, motor industry, represented by have been slow to feel the nine months last year. The construction, mining and rock Volvo and Saab-Scania. Tonumber of employees has drilling equipment, and gether these two companies declined steadily since 1978 to hydraulic and pneumatic parts. make up 12 per cent of the current 43,000.

Capital expenditures were down Sweden's to', 1 exports. They Alfa Laval, the farm and

35 per cent to SKr 130m. were aimed at new products or dairy equipment manufacturer thon was up about 13 per cent improved processes. These with 1982 sales of SKr 8.2bn, to 335,000 vehicles for the first has managed to weather the nine months of 1983 against storm through a combination of the same period a year earlier. plant shutdowns and diversifica- This has been the single major tion moves. Its industrial unit factor behind the devaluationand development of a transmission of the sector.

and end mills in its cutting tools and end mills in its cutting tools division.

In a turnound, Atlas Copco, formed a joint venture with 50 per cent to SKr 18.8hn with 1982 sales of SKr 7.9bn, Swedish Match to commercialise (\$2.2bn). They generated most

# growing sector

TRANSPORT

ENGINEERING is Sweden's largest industrial sector, accounting for 45 per cent of total industrial production.

Over half of the country's engineering output is sold out-

side Sweden. The ten largest corporations are active intercorporations are active internationally with some 50 per cent of the 267,000 vehicles a stake in the White Motor rationally with some 50 per cent of the 267,000 vehicles a stake in the White Motor corporations are active internationally with some 50 per cent of the 267,000 vehicles a stake in the White Motor corporations are active internationally with some 50 per cent of the 267,000 vehicles a stake in the White Motor corporations are active internationally with some 50 per cent of the 267,000 vehicles a stake in the White Motor corporations are active internationally with some 50 per cent of the 267,000 vehicles a stake in the White Motor corporations are active internationally with some 50 per cent of the 267,000 vehicles a stake in the White Motor corporations are active internationally with some 50 per cent of the 267,000 vehicles a stake in the White Motor corporations are active internationally with some 50 per cent of the 267,000 vehicles a stake in the White Motor corporations are active internationally with some 50 per cent of the 267,000 vehicles a stake in the White Motor corporations are active internationally with some 50 per cent of the 267,000 vehicles a stake in the White Motor corporations are active internationally with some 50 per cent of the 267,000 vehicles at the White Motor corporation are active internationally with some 50 per cent of the 267,000 vehicles a stake in the White Motor corporation are active internationally with some 50 per cent of the 267,000 vehicles at the White Motor corporation are active internationally with some 50 per cent of the 267,000 vehicles at the White Motor corporation are active internationally with some 50 per cent of the 267,000 vehicles at the White Motor corporation are active internationally with some 50 per cent of the 267,000 vehicles at the 267,000 vehicles at

ally-controlled machines and industrial robots in use. Transport equipment and mechanical engineering contri-

bute roughly two-thirds each to the total value added in the enginering industry, equivalent to some SKr 58bn in 1982. An additional one-fifth is generated by the electrical engineering

#### Cars and trucks

AUTOS TRUCKS AND BUSES ONE OF THE fastest growing Sweden's to', l exports. They employ 80,000 people.

Total passenger car produc-

a new system for food preserva-tion and packaging. and represented over one quar-

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King Carl Gustav signs the prototype SAAB-Fairchild 340 commuter airliner. Firm orders are nearing 100 for this Swedish-American joint venture aircraft.

is sector. States. Saab has raised output a total of about SKr 2bn on It is a world leader in the levels several times in the past capital investments in the use of computer-aided design year, and production has grown and manufacture, and has rule to an annual rate of over CAIS, SKr 4.8bn of the t SKr 12.7bn group turnover.

Both Swedish makers sell about three-quarters of their production abroad, and concentrate on medium to highpriced models.

Scania truck operations have been hit by sharp drops in the Iraqi market—its single largest and deliveries of both trucks and buses are expected to fall and buses are expected to fall by 3,500 from the 1982 level of 22,500. Sales for the eight months dropped 11 per cent to SKr 4.4bn. The group is to be-gin assembly and marketing of buses in the U.S. this year. Volvo truck deliveries have declined and income fell substantially due to severe price competition. Sales, at SKr 7.6bn for the first nine months, grew only 4 per cent. Volvo acquired

#### Shipbuilding

SWEDISH SHIPBUILDERS for many years ranked second only to Japan. However, the tonnage built in the past 10 years has dropped to 350,000 tonnes from 2.7m, and Sweden now accounts for only about 2 per cent of total world output. The world surplus for tankers and other bulk carriers as well as cost advantages of Asian yards are behind the decline.

Now, the industry is dominated by the state-owned Swede-Yards, and is attempting to expand in the growing offshore area, as well as in technically advanced areas such as LNG vessels, submarines and other

## High profits and strong investment

THE HIGHLY-PROFITABLE SKr 1.35bn. electrical engineering sector is dominated by the heavy equipment industry but includes telecommunications products and telephone systems, computer hardware and software, domestic appliances, consumer electronic products and other electrical

ELECTRICAL ENGINEERING

By far the largest corporation in the sector is Electrolux, with sales of SKr 31.6bn (\$3.8bn) in 1982 (75 per cent outside Sweden) one of the world's leading manufacturers of domestic appliances, as well as chain saws and commercial services for catering and cleaning. Saab-Scania and Volvo spent Pre-tax profits at the six-month point were up from SKr 280m to SKr 787m. The group employes more than 100,000.

> rationalised its operations, in-cluding the sale early last year of the FACIT office products subsidiary, the Platzer Bygg construction unit, its Hugin Cash Registers division and the U.S. air conditioning manufacturer Emerson Quiet Kool.

sidiary took a major step in SKr 1.6bn annualty. Eriesson raised \$230m. The Granges metals subsector with the sale of its entire

group, is the country's third largest concern and Europe's leading manufacturer of industrial robots. Total group turn-over in 1982 was SKr 25.8bn. D.B. and pre-tax profits at the nine-month point doubled to

spending is running at an annual level of SKr 1bn, with industrial equipment and auto-mation for the process and engineering industries con-sidered important growth areas, together with power generation

The group recently launched a new generation of industrial robots with improved vision. It has also moved to acquire a major stake in the Norwegian group Aker, producing offshore drilling rigs and ships.

The LM Ericsson group is a strong force on the world telesuccessful AXE digital teleexchanges. Pre-tax profits for the group were up 32 per cent for the first nine months to SKr 896m. Sales in 1982 were SKr 19.6bn group employed 66,000.

Investments in research and raised \$230m on Wall Street last year to help fund develop-ment of information systems vities in Canada last summer.

Asea, the heavy electrical engineering and electronics group, is the country's third data exchange systems for office automation and business telecommunications will double

 $\mathbf{E}(\mathbf{x})$ 

Tatage .

CHEMICALS/PHARMACEUTICALS

## High-technology sales growth

THE CHEMICALS sector in Sweden, including the fast-growhigh-technology pharmafor about 7 per cent of turnover for the total manufacturing sector. Of the SKr 25bn (\$3bn) roughly half was value added, and 40 per cent was sold abroad. The industry employs some 44,000 and investments average some SKr 1.5bn annually. Three-quarters of all research and development is concentrated in pharmaceuticals, the quickestgrowing in recent years.

Because Sweden had no oil or gas, and few other raw materials needed for chemicals production, the industry grew around the metals and pulp producing companies, benefiting from cheap hydropower.
The organic industry was

slow to develop, and the petrochemicals sector expanded only after the war — especially in the 1960s — but slowed again during the oil shocks of the 1970s. Today, there is only one cracking plant for ethylene in Sweden, at Stenungsund on the west coast. Kema Nobel, the largest

chemicals group in Sweden, with eighth month sales of SwKr
3.7bn last year, said last
summer it plans to withdraw
from the petrochemicals industry with the sale of its PVC
and earnings growth of 40 per land. The deal is to be finalised early this year for a reported total of SKr 1bm.

The group is moving to build

chemicals, used in pulp and paper production, and has become the world's secondlargest sodium chlorate producer with its recent purchase Columbus Mississippi plant It is also expanding in the adhesives and paint sector in Europs.

Perstorp, the second-largest chemicals group with 1982-83 sales of SKr 2.7bn, has concluded a marketing agreement with Marion Labos of the U.S. for the sale of its Isodorb agent for treating ulcerous sores — part of a move into higher techpharmaceuticals.

#### Competition

With close ties to the medical industry, pharmaceutical com-panies are claiming a growing percentage of chemicals exports with highly-specialised product ranges that allow them in many cases to avoid direct competition with the world's drug giants. The two top companies, Astra and Fortia, rank among the top ten most profitable com-

and polyethylene plants to cent to SKr 600m. Capital Norsk Eydro and Neste of Fin-spending was SKr 217m at the eight-mouth point last year. It was forced to withdraw its Zelmid anti-depressantaccounts for 2 per cent of turnup its presence on the North over — because of reported American market in bleaching adverse reactions.

In 1982, Astra signed a deal with Merck under which the American drug group is undertaking clinical testing, registra-tion and marketing of new Astra products in the U.S. Fortia, formerly Pharmacla, which recently raised some \$45m on Wall Street to help

finance an 85 per cent jump in capital spending, doubled its profits in 1982 to SKr 318m. Net sales for the first-half last year were up 24 per cent to SKr 1.1bn (90 per cent abroad) with profits of SKr 206m.

The biggest sales growth has come in separation products, used by biotechnology companies, and in pharmaceuticals with both divisions up 63 per cent. In pharmaceuticals, it is leading research in anti-arthritis and cancer preparations, as well as treatment of blood outside the body.

The state-owned drug com-pany KabiVitrium has taken a market lead in the production of growth hormones D.B.

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Wednesday January 25 1984

**WALL STREET** 

## Response to results still muted

ANOTHER disturbingly weak Wall Street session saw a flood of corporate profit announcements again fail to find much of a response from investors, writes Terry Byland in New York.

Confidence in prospects for lower interest rates was on the wane, with the bond market sluggish while awaiting the announcement, expected next Wednesday, of the Treasury's funding plans

for the next quarter.

The stock market tried to rally and was helped in early trading by IBM, which added \$% to \$117. But sellers remained much in evidence, and trading

The market rallied in the afternoon and leading stocks edged higher for a time. However selling intensified as the session approached its close. The Dow Jones industrial average ended at net 1.57 down at 1242.88. Turnover, boosted by the late selling bout, totalled 103m shares, about 10 per cent higher than on

The current bout of weakness in the stock market appears to reflect a reversal of opinion on the two points which sustained stock prices at the end of December. The prospects for a dip in inter-

STOCK MARKET BIDICES

585.29

131.60

165.94

824.90

496.66

430.99

524.90

82.91

771.60

529.00

55.45

145.90

424,83

223.62

171.80

112.00

360,78

170.00

1244.45

*5*87.70

130.83

164.87

814.90

494.50

528.17

484.*4*7

541.30

10,022,92 10,070,98 7833,99

780.93 763.17 575.95

533.50

55.63

143.78

2526.2 2540.20 1977.50

444.31

225.10

168.00

109.20

363.66

1065.60 1074.30 738.30

217.66 219.68 180.48

170.90

1039.56 1040.61 759.84

810.90

967.60

109.00 109.00 85.80

- 1537.25 1531.93 1013.13

185.40 - 187.20

Jan 24 \$365,125

\$365.25

\$365.25

\$384.88

\$364.75

\$366.50

GOLD (per ounce)

380.90

1035.28 1055.81

239.74 243.44

777.60 537.60

82.74

1030,17

442.90

123.57

139.97

614.20

389.30

423.57

396.47

613,40

77.21

477,70

49.71

105.97

342.76 329.38

104.25

63.20

241.92

879.60

103,10

977.20 821.30

154.90

\$371.375

\$371.50

\$371.25

\$372.41

\$371.50

\$365.90

87.90

Dar Yest FFr

BFr C\$

DJ Industrials

DJ Transport

FT Ind Ord

FT-A 500

FT-A Ind

Tokyo SE

AUSTRALIA

AUSTRIA

BELORUS

CANADA

Mateix & Mins

Credit Aktien

Belgian SE

Composite

Industria

Combined

Copenhagen SE

Ind. Tendance

WEST GERMANY

FAZ-Aktien

HONG KONG

Hang Seng

ITALY

Commerzbank

Banca Comm

METHERLANDS

ANP-CBS Ind

HORWAY

Oslo SE

SINGAPORE

Straits Times

SOUTH AFRICA

Golds Industrials

Medrid SE

WORLD

London

Zürich

Frankturt 🗠

Paris (foons)

Luxembourg (fixing).

New York (Jan)

Capital Int'l

Swiss Bank Ind 378.00

ANP-CBS Gen

DEMMARK

FRANCE

TOKYO

FT-A All-share

FT Gold mines

FT Govt secs

S&P Composite

1.

FT-Actuaries All-Share Index

KEY MARKET MONITORS

est rates in the short-term are vanishing, while the market's inability to benefit from excellent corporate results becomes clearer daily.

The oil stock sector was caught in the middle of its corporate reporting season by the announcement that a Royal Dutch Petroleum unit is offering to buy up the outstanding equity in Shell Oil, its U.S. subsidiary still publicly held.

Shell was suspended at \$44 on the news but later returned to trade a \$54%, a net \$10% up. Shell Transport and Trading, the Royal Dutch operating subsidiary, was suspended at \$34% but returned at \$35% while Royal Dutch, the holding company, reopened after the announcement at \$49% a net \$1% up.

Exxon, \$\% up at \$39, made little response to its announcement of results for 1983. Atlantic Richfield added \$1½ to \$45% on its own figures and Standard Oil of California at \$35% was a shade

higher, also on 1983 profits news. Head of the list of active stocks was Merrill Lynch, the largest U.S. stock market concern, which fell \$1 to \$31½ in heavy selling. Merrill returned a loss of \$42.1m for the final quarter of last year, the first quarterly loss since the company went public 13 years ago.

Among takeover issues, stock in Getty Oil gained \$3% to \$120 after Texaco's disclosure of increased bid terms. Gulf Oil. a recent takeover favourite, added \$1%

On the American Stock Exchange the technology sector continued to see selling pressure. Hardest hit was Tie Communications, \$2% lower at \$22%. Domestic energy issues also saw active trading. Dorchester Gas edged up by \$¼ to \$21%

Jan 24 Previous

1.24775 1.24575

233.8

8.5925

2.235

1711.50

57.4

INTEREST RATES

U.S BONDS

Jan 24

101%2

Price

931/2

75**%** 

91%

9514

10% March 1993 92% 12.00

234.25

8.6250

2.2440

1717

57.64

FFr

U.S. Fed Funds U.S.3-month CDs

3-month U.S.\$

6-month U.S.\$

FT London inter

offered rate)

10% 1985

11.75 1993

12 2013

Corporate

10% June 1990

3% July 1990

8% May 2000

10% May 1993

10% May 2013

11.80 Feb 2013

12% Dec 2012

8% 32nds of 100%

\$1m points of 100%

\$1m points of 100%

\$1m points of 100%

£50,000 32nds of 100%

Silver (spot fixing)

Copper (cash)

March

March

Certifi

LONDON

March

(London)

Abbot Lab

Diamond Shamrock

Federated Dept Stores

U.S. Treasury Bonds (CBT)

AT & T

Xerox

Jan 24 Previous

1.4065

329.0

12.0825

3.145

2406.5

80.75

1.7515

34

13%

9%

10%

9.40

8.9250

11.52

Yield

11.80

12.20

12.00

91% 12.10

86 12.40

95% 12.40

96 12.80

9%

1.4010

328.50

12.08

3.1450

80.75

1.7470

31%

13%

9%

10%

94

B.91

Yield Price

10.59 10017/20

11.52 100 %

100°452 11.61 100°752 11.60 102°752 11.69 102°752 11.68

11.80

12.20

12.10

12.40

12.40

91,00 91.06 90.98 90.99

90.34 90.42 90.31 90.33

90.15 90.16 90.12 90.11

108-27 109-00 108-17 108-14

569.80p

£963.75

£2077.50

\$28.67

587.55p

2967.50

£2110.00

COMMODITIES

96 12.80

FINANCIAL FUTURES

Yield Price

93%

75%

2405

In the credit market, retail investors backed away as doubts over the next bout of Treasury funding began to circulate. At the short end of the range, yields were adjusted downwards by a few basis points to line up with the rates at this week's auction of Treasury securities.

At 8.90 per cent, three-month Treasury bills were discounted four basis points lower than overnight while the six-month bill at a discount of 8.98 per cent, showed a fall of two basis points. Investors are at present unwilling to

move towards longer-dated securities because of the doubt over inflation and the federal deficit.

The bond market was lifeless, with the key long bond quoted at 1022 2 harely changed from overnight and yielding 11.67 per cent.

Next month's Treasury funding will be in the \$15bn to \$16bn range and several market commentators have said that they expect the funding to display a move towards higher rates and yields. An immediate hurdle for the market is the auction today of \$8.24bn in two-year Treasury notes. The outcome of the auction will set the trend for short-term rates in the near term.

#### **EUROPE**

## Paris defies downward pressures

THE REVERSAL which set in late on Monday in New York and London took its toll yesterday on bourse share values with the notable exception of Paris, where a busy start to the monthly account produced vigorous and wide-

The advance was believed to be attributable mainly to technical factors associated with the start yesterday of the new trading period, amid a sustained high level of liquidity being drawn from year-end interest on bonds, rather than spurred by the sentiments on investment and exchange controls expressed later in the day by M Jacques Delors, the Finance Minister

Stocks suspended because of insufficient selling orders ran well into double figures, and the CAC Generale index reached a record 171.8, up 3.8. Bic put on FFr 17 to FFr 427 on its

higher 1983 turnover, Matra FFr 150 to FFr 1,900 and l'Oréal FFr 89 to FFr 2,399.

The only other focus of strength was the likelihood of a cut in domestic interest rates and a revaluation of the krona.

Strong turnover in part reflected particular foreign interest in Volvo: ahead of results due today, it added SKr 9 to SKr 455. This was in the face of a continued suspension of dealings in its Scan-dinavian Trading (STC) subsidiary, where a setback in performance is feared by some.

Frankfurt, however, was among those to follow Wall Street's lead downward as attempts at a rally faltered, but most ended off the day's lows.

Profit-taking among the car makers showed BMW DM 4.50 off at DM 423, but banks held up well - Deutsche eased just 20 pfg at DM 373 after slipping to DM 371.

A thin but steady bond market allowed the Bundesbank to buy just DM

5.8m in paper. Royal Dutch traded strongly in an otherwise weak Amsterdam before its suspension at FI 151.20, up FI 1.10. Elsewhere Elsevier shed Fl 5 to Fl 570. Bonds languished.

Thin Brusse's volume left a cautiously firm outcome, with Petrofina up BFr 120 at BFr 6,900 but Wagons Lits down BFr 140 to BFr 2,160. An active but nervous Zurich took Sandoz SwFr 125 lower at SwFr 7.300, while the bond market was also depressed.

Copenhagen moved cautiously lower as the Danish coalition resubmitted its budget proposals, while Milan weakness included a dip of L60 by Fiat at L3,820 ahead of its results. Bonds there held firm, however, Madrid was steady, with strength in steels.

#### AUSTRALIA

A SHARP fall in the gold price and Wall Street's overnight setback triggered a widespread downturn in Sidney yesterday, with BHP, 25 cents off at A\$13.60, leading the decline. The All Ordinaries index retreated 5.5 to 772 with falls outnumbering advances by a four to three

Diversified base metal miners fared well in comparison with goldmining losses while leading oil and gas shares eased. Santos lost 12 cents to A\$7.82

#### SOUTH AFRICA

AN INCREASE in value added tax from 6 to 7 per cent and the weaker bullion price hit leading shares in Johannesburg yesterday.

Industrials did not relish the news. with Barlow Rand 30 cents weaker at R13.15 and SA Breweries 15 cents down at R7.05.

Golds took a battering, with Buffels R3.20 off at R55.80 and Anglo American Gold R2 lower at R127. Rustenburg Platinum, which raised pre-tax profits to R85.2m from R56.6m in the six months to end December, failed to impress and shed 30 cents to R12.75.

## **Ground lost** across wide range

A PLUNGE came in Tokyo stock prices yesterday as investors, discouraged by the sharp setback on Wall Street overnight, tended to take a wait-and-see attitude, writes Shigeo Nishiwaki of Jiji

Blue chips and leading speculatives lost ground almost across the board, with market attention centring on the fate of the 50 per cent of Mitsubishi Oil's outstanding shares held by Getty Oil of the U.S. amid its takeover bid from Tex-

The Nikkei-Dow market average of 225 select issues, the main market barometer, fell for the third consecutive day to close at 10,022.92, off 48.06 from the previous day and only just holding above 10,000.

Trading volume increased slightly to 323.5m shares from Monday's 265.95m,

which was the lowest since December 19. Declines outnumbered advances 478 to 264, with 147 issues unchanged.

The market was dominated by speculation that the Mitsubishi group might repurchase all its shares owned by Getty or that they might be bought by Caltex, a subsidiary of Standard Oil of California and Texaco.

Mitsubishi Oil dropped Y10 to Y504 at one point after moving erratically, but closed at a high for the day of Y550, up Y36. Volume reached 20.79m shares, second only to Nippon Steel with 24.6m

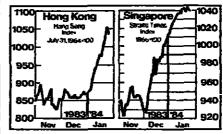
Large-capital steel, electric power and gas issues were traded briskly. Nippon Steel rose Y1 to Y180, Tokyo Electric Power Y30 to Y1,270 and Osaka Gas Y5

Blue chips remained unpopular, with no foreign buying expected for the time being in view of the continued dullness on Wall Street. NEC lost Y10 to Y1,440 After the market close, the Tokyo stock exchange announced that the bal-

ance of margin purchases on the Tokyo, Osaka and Nangoya stock exchanges continued to rise last week, adding Y25.6bn over the previous week to Y2,246.4bn.

This could act to pull the Dow average below the 10,000 mark.

Both buying and selling shrank fur-ther on the bond market. The yield on the benchmark 7.5 per cent long-term government bonds, maturing in January 1993, edged up to 7.44 per cent from Monday's 7.43 per cent.



#### SINGAPORE

SELLERS gained the upper hand in Singapore as Wall Street's setback demanded a pause in what operators still maintained was a strongly underpinned

The Straits Times industrial index crept 1.05 backward to 1,039.56, and a further indication of solidity was to be found in a near-halving of trading volume to 12.4m shares from Monday's

Moreover, Pegi, - the most active on 2.85m shares - managed a 7 cent gain at S\$2.12. But OCBC shed 20 cents to S\$11.40 and L&M 12 cents to S\$4.38.

#### **HONG KONG**

THE HEADY rise in Hong Kong - 184 points since the start of the year, as measured on the Hang Seng index - gave way to an expected downward correction which clipped 20.53 off the index at 1.035.28.

The undertone continued to be viewed as bullish, however, and leading issues showed setbacks of no great magnitude. Cheung Kong slipped 30 cents to HK\$9.15.

FURTHER setbacks in base metal issues weakened a fragile Toronto market as gold stocks also entered the list of casualties. The oil and gas sector offered some resistance to the pressure but nonetheless incurred substantial de-

Industrials fared poorly in Montreal with continued weakness evident in utilities and papers.

#### LONDON

## Force for revival is transatlantic

EQUITIES rebounded in London yester-day as revived U.S. demand for blue chips helped erase most of the previous session's losses. The FT Industrial Ordinary share index closed 10 points higher

Hawker Siddeley joined the current list of transatlantic favourites and featured with a jump of 16p to 408p, after touching 416p, while American support was also responsible for more modest gains among index constituents.

Trading statements resulted in several noteworthy advances, while speculative interest was enlivened by bid discussions between Associated Leisure

Recovery hopes spurred the engineering sector, while in oils the focus of interest was the temporary suspension of Royal Dutch at £34 and Shell at 623p before the announcement that Shell NV is offering to buy the outstanding minority

in Shell Oil of the U.S. Gilt-edged securities gave an uninspir-ing performance although quotations tended firmer in sympathy with the financial futures market. Longs improved up to % and shorts closed marginally

Details, Page 23; Share Information Service, Pages 24-25

#### MEXICO

A DRAMATIC rally emerged on the Mexican stock exchange after the Bank of Mexico announced a significant drop in interest rates, writes William Chislett in Mexico City.

The 42-stock price index rose 224 points to an all-time high of 3,103.38, an increase of 77 per cent

increase of 7.7 per cent

Inflation is expected to be halved this year to around 40 per cent. :

Expectations are also being fuelled by an announcement due from the Government shortly on its policy of returning to the private sector the shares held by the nationalised banks in some 400 compa-

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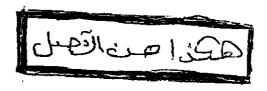
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## AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

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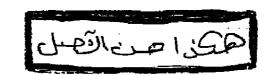
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a-dividend also extra(s) b-annual rate of dividend plus stock dividend c-liquidating dividend, cid-called, d-new yearly low, e-dividend declared or paid in preceding 12 months, g-dividend in Canadian funds, subject to 15% non-residence fits, i-dividend declared after split-up or stock dividend, j-dividend paid this year, orwitted, deferred, or no action taken at latest dividend meeting is—dividend declared or paid his year, an accumulative issue with dividends in arrears. n-new usus in the past 52 weeks. The high-low range begins with the start of trading, nd-next day delivery, P/E-price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begans with date of split, stock dividend. s-stock split. Dividends begans with date of split, stock dividend. s-stock split. Dividends begans with date of split, stock dividend. s-stock split. Dividends begans with date of split, stock dividend. s-stock split. Dividends begans with date of split, stock dividend. s-stock split. Dividends begans with date of split, stock dividend. s-stock split. Dividends begans with date of split, stock dividend, s-stock split. Dividends begans with date of split, stock dividend, s-stock split. Dividends begans with date of split, stock dividend, s-stock split. Dividends begans with state of split, stock dividend, s-stock split. Dividends begans with date of split, stock dividend, s-stock split. Dividends begans with date of split, stock dividend, s-stock split. Dividend split spl

WORLD STO	CK MARKETS		
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12 Mounts	Nova Alberts   714   715	Sco Exterior	H.K.S   Tokyu Corp.   313   9   9   7   7   7   7   7   7   7   7
FINANCIAL TIMES CONFERENCES  The City and Europe	Goesser   1	Swedish Match   222	Sizes
-A ten year appraisal	Indices	AUSTRALIA	Jan. Jan. Jan. 1983/84 24 23 20 19 High Low
A major seminar will be held by the Financial Times and the City University Business School and co-sponsored by the British Invisible Exports Council to mark the tenth anniversary of the enlargement of the European Community. The European Monetary System, the prospects for action to develop a community in financial services, London as the European centre for project finance and as a point of access for venture capital will be some of the leading themes of this conference. Under the Chairmanship of Mr. G. W. Mackworth Young, Chairman of the British Invisible Exports Council and Chairman of Morgan Grenfell & Co. Limited and Dr. Michael von Clemm, Chairman of Credit Suisse First Boston Ltd. the panel of distinguished speakers will include:  Mr. Francois-Xavier Ortoli Lord Selsdon The Rt. Hon. Roy Jenkins, MP Mr. Win Bischoff Sir Nicholas Goodison Mr. Roy Withers, CBE The Rt. Hon. Francis Pym, Mc, MP   To: Financial Times Limited, Conference Organisation, Minster House, Arthur Street, London EC4R 9AX Tel: 01-621 1355 Telesc 27347 FTCONF G  Name  Company  Address  CITY UNIVERSITY BUSINESS	Hime Bnds 71.13 71.25 71.24 71.10 71.03 70.96 77.94 60.85 (8.5) (8	Copenhagen SE 15, 1/85; 1/841 (87/152)   Copenhagen SE 15, 1/85; 1/852   10.5	142,0 145,2 142,1 142,8 145,2 (25.1),841 83,5 (4;164) 258,74 245,44 245,93 258,71 245,44 (25;1,84) 83,01 (4/1,82) 1939,96 1048,81 1044,44 1636,58 1044,44 (28;1,84) 712,23 (8;1,84) 101 810,5 815,6 812,6 1099,5 (1;2) 651,4 (1/1) 101 967,6 963,7 973,0 1608,4 (3;1,84) 794,9 (8;1,84) 109,00 (C) 109,0 108,25 108,0 (29;1,84) 196,30 (59;178) 1567,25 1531,93 1524,2 1516,87 1557,25 (24;1,84) 896,18 (5;1,85)
SCHOOL in association with the BRITISH INVISIBLE EXPORTS COUNCIL Tel: Telex:	I I	AL TIMES SUBSCRIPTION RANGE CONTROL REPOSITION Tel:	• • •



LONDON STOCK EXCHANGE

عكذا حن النَّ

## U.S. demand for selected leaders prompts good rally Index rebounds 10 points to 824.9

\*First: Declara- Last Account Dealings tions Dealings Day Jan 16 Jan 26 Jan 27 Feb 6 Jan 30 Feb 9 Feb 10 Feb 20

London equity markets rebounded sharply yesterday following a revival of U.S. demand for selected blue chips. Hawker Siddeley joined the current list of transatiantic favourites and featured with a jump of 16 to 408p, after 418p, while American support was also partly responsible for more modest gains in Bowaier and ICL.

modest gains in Bowater and ICL
Most other reading shares
were lowered a few pence
initially in the wake of Wall
Street's further overnight setback. The resurgence of U.S. buying, however, helped to create
fresh confidence and a recovery
movement soon ensued. The
volume of business was relatively
small, but quotations were quick
to respond to occasional demand
and fall of 0.8 in the Financial
Times Industrial Ordinary share
index at the 10 am calculation
was replaced by a rise of 4
points an hour later. Thereafter,
prices edged progressively higher
and the index closed at the day's and the index closed at the day's best with a rise of 10 points at 824.9, thus almost erasing Monday's fall of 12 points.

Elsewhere, speculative interest was enlivened by news of the bid discussions between Associated Leisure and Pleasurama, while company trading statements resulted in several noteworthy movements.

Of the sectors, Engineers showed to particular advantage following a revival of demand on receively hopes. The temporary suspension of Royal Dutch at £34, and Shell at £23p, in the late dealings provided a major talking point in the Oil market, it was subsequently announc, it that Shell NV is making an offer of \$55 per share for the 30 per cent outstanding minority in Shell Oil of the U.S. Dealings are expected to restart today in Shell at around 632p and Royal Detail at \$124.

Overshacowed by sterling's fail against the dollar and continuing uncertainty about short-term U.S. interest rates, Giltedged securities gave an unin-spiring performance. Most of the day's activity was confined to routine switching, although quotations trended firmer in symquotations trended firmer in sympathy with the financial futures market. Long-dated stocks recorded gains ranging to 1 and short-dated issues closed a fraction harder. The announcement afterhours of further funding by way of three taplets amounting to £500m made little impact.

#### Sedgwick dull

In insurances Sedgwick, succumbed to nervous selling and dropped to 237p before closing a net 7 down on balance at 240p following news of a High

**EQUITY GROUPS** 

& SUB-SECTIONS

Metals and Metal Forming (9) ...

Takacces (3) Other Consumer (8) ..... STHER GROUPS (83) .

insurance (Life) (9).

Mining Finance (4).... Overseas Traders (25)

FIXED INTEREST

117.94

130.69

ialas |

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6 Bahartaras millans... 10850 +8.04 198.46

Day's change %

+0.09

+8.29

+0.22

+8.26 141.07

+034 25136

Mos Jan 23

117.84

130.54

129.58

Jan 16 Jan 26 Jan 27 Feb 6
Jan 30 Feb 9 Feb 10 Feb 20
Feb 13 Feb 23 Feb 24 Mar 5
New-time dealings may take place from 9.30 am two business days
London equity rebounded sharply systerday

London equity markets rebounded sharply systerday

Gerrard and National improved Gerrard and National improved 3 more to 335p, after 335p, awating further news of the bid approach; it was revealed yesterday that the Kuwait Investment Office has increased its stake in the group to just over 3 per cent. Interest elsewhere in the Discount House sector waned after Monday's excitement. Alexanders gained 8 afresh to 408n on gained 8 afresh to 408p on further consideration of the results but Union relinquished 10 results but Union relinquished 10 to 750p ahead of today's preliminary statement. The major clearers rallied. NatWest at 735p, recorded an above-average rise of 20, while Barclays put on 5 to 545p. Elsewhere, Minster Assets, in which a large shareholding recently changed hands, moved up 4 to 121p on revived speculative support.

Grosvenor Square Properties staged a successful debut in the Unlisted Securities Market; the shares opened at 94p and moved up to 98p compared with the placing price of 91p.

Breweries attracted steady astitutional interest after-hours institutional interest after-hours and finished at the day's best. Grand Metropolitan, marked down to 330p earlier, rallied smartly to close a net 7 dearer at 342p, while Whitbread, 136p, and Bass, 318p, hardened 3 apiece. Elsewhere, Distillers returned to favour following a broker's visit and advanced 9 a broker's visit and advanced 9 to 263p; the company is currently involved in talks with Esmark of Chicago regarding the purchase by Distillers of Esmark's stake in Somerset Importers of New York, the sole U.S. importers of Johnnie Walker whisky.

Johnnie Walker whisky.

Leading Buildings, easier at the outset, picked up in the absence of selling to close on a firm note. Blue Circle shrugged aside suggestions that a cement price increase might be some way off and improved 5 to 438p. Elsewhere, renewed support lifted John Mowlem 6 to 218p and Taylor Woodrow 5 to 645p. Brown and Jackson attracted revived speculative interest and put on 4 to 23p, but Heywood Williams encountered profit-taking and came back 4 to 139p. Timber issues usually eased, Maguet and Southerns losing 6 to 150p and recently firm Meyer International a penny to 148p. International a penny to 14Sp.
The increased interim profits and dividend failed to support Treat
Holdings which closed 3 cheaper

ICI, easier initially in line with other blue chip equities, picked up on revived U.S. demand to close 6 dearer on balance at 632p.

#### Frasers wanted

FT-ACTUARIES SHARE INDICES

and the Faculty of Actuaries

Tues Jan 24 1984

Day's Change

Mon Jan 23

5.02 - 13.18 5.02 - - 4.15 - - 4.15 - - 4.34 3.01 - - 3.65 3.01 - 23.91 5.01 12.20 3.51 - 12.20 3.51 - 4.34 4.34 13.36 3.65 23.91 5.01 12.20 3.51 - - 4.34 4.39 4.03 6.88 20.29

AVERAGE GROSS REDEMPTION YIE

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Tues Jan 24

9.67 10.06 9.72 11.83 10.69 10.97 11.19 10.85

10.17 9.72

1723 1723

11.53

#### FINANCIAL TIMES STOCK INDICES

	Jan. 24	Jan. 25	Jan. 20	Jan. 19	Jan. 18	Jan. 17	year ago
Government Secs			82,65		-	-	
Fixed interest	B7.20		87.25				
Industrial Ord	824,9			823,9			
Gold Mines	524.9				525.8		
Ord. Div. Yield	4.38			4,54			
Earnings, Ykl.% (full)	9,16		9,13			_	
P/E Ratio (pet) (*).,	13.36		18,41				
Total bargains	28,722	19,366	30,465	28,674	27,774	28,007	23,009
Equity turnover £m.			355,01				
Equity bargains		26,058	26,352	26,255	24,403	25,149	18,928
Shares traded (mf)		159.6	215,1	228.6	204.6	212,5	113,8

t. Secs. 8/1/28, Fixed Int. 1928. SE Activity 1974.

н	IGHS	AND	LOWS	3	S.E. ACT	IVITY	_
	198	3/84	Since Co	mpîlat n		Jan. 23	Jan. 20
_	Kigh	Low	High	Low	-Daily	23	
ovt. Secs.	85.77 (8/1/84)	77.00 (24/1/88)	127,4 (8/1/55)		Gift Edged Bargains Equities	190,9	189,1
ized Int.		79,03 (1/2/88)	150,4 (26/11/47)	50,53	Sargains Value	168.8 527.9	170.7 737,8
ad. Ord	826,9 (20/1/84)	598,4 (12/1/85)	826.9 (20:1/84)	49,4 (26/6/40)	5-day Average Gift Edged Bargains	195.4	905.1

finished a net 14 dearer at 264p amid vague rumours that Lonrho amid vague rumours that Lourno was about to sell its near-30 per cent holding to Daniel K. Ludwig who would then purchase Globe Investment Trust's non-disclosable stake and launch an offer for the remaining Fraser equity. Lourho closed 4 up at 1190.

Other major Retailers were generally subdued with movements restricted to a penny or two either way. Late support was evident for Raybeck, which hardened 2 to 39p; last year the interim results were approximed hardened 2 to 39p; last year the interim results were announced on January 7. Similarly quiet conditions prevailed among secondary Stores. Courts Furnishers A eased a few pence to 135p despite the near-28 per cent expanision in mid-term profits, but Bolton Textile continued to attract resistenced support and attract scattered support and hardened 2 for a two-day gain

Strong and Fisher continued to streng and risner continued to shrug off adverse weekend com-ment and with sentiment still boosted by Mr Asil Nadir's newly acquired holding, the shares touched 218p before settling 18 up on balance at 208p. Style firmed 6 to 311p.

is alleged to have withheld speculative excitement in House cramic interests. Microgen, crucial information from underwriters who face multi-million on talk of a possible trading link pound claims over the disastrous Australian bush fires of last year.

Australian bush fires of last year.

apply for a full Stock Exchange listing. Louis Newmark moved up 15 more to 215p awaiting tomorrow's half-yearly statement.

A resurgence of institutional

A resurgence of institutional buying on recovery hopes helped Engineering leaders close at, or very near, the day's best levels. Apart from Hawker, GKN were well supported and closed 9 better at a new 1983-84 peak of 203p with sentiment here additionally helped by details of the Sankey British Army contract worth £150m. Babcock rallied on 8 to 173p, while TI, 198p, and Vickers, 137p, rose 4 apiece. Elsewhere, J. Saville Gordon reflected the first-half profits upsurge with a gain of 4 at 76p. W. G. Allen firmed the same amount to 40p following buying ahead of tomorrow's interim statement but Meggitt softened statement but Meggitt softened a penny to 55p on the resuts.

The Food sector featured recently neglected Rowntree Markintosh which met with revived support, some of which was of a speculative nature, and rose 10 to 232p. Tate and Lyle improved 5 to 410p and Northern Foods firmed 4 to 194p. S. and W. Berisford hardened a couple of sence to 21 ip; the preliminary results are due next Tuesday. firmed 6 to 311p.

Frasers wanted

Secondary Electricals were featured by a jump of 14 to after favourable comment, Associated by a fresh burst of posed sale of its chima and J. Sainsbury a comple of and J. Samsoury a couple or pence to 475p. Hillards, however, shed 8 to 274p on second thoughts about the interim results. Elsewhere, Glass Glover put on 20 to 270p in response to the increased preliminary profits and proposed one-for-three scrip issue, while Somportex gained 6 to 41p following much-improved first-half figures. Bassett gained 9 to 99p in the late dealings; the company has been notified that Avana intends to make an offer for the Ordinary shares.

#### Rank Org. good

Standing a few pence harder on the news, with BP rallying immediately in faont of the results, Rank Organisation advanced sharply on them to close 13 higher at 218p following stronger at 203p and Burmah 7 news of the 25 per cent dividend increase and satisfactory annual torofits. Associated concern, A. Kershaw jumped 30 to 210p in sympathy. Elsewhere in miscellaneous industrials Reed International rose 12 to 438p on buying ahead of next Tuesday's third-quarter statement, while third-quarter statement, while which jumped from 19p to 34p

at 333p.

Early attention in the Leisure sector focussed on Associated Leisure which jumped to 151p before closing a net 29 up at 148p; the company is in talks with casino concern Pleasurama which may lead to an offer. Pleasurama closed 13 down on balance at 312p, after 307p. Elsewhere, Intervision Video were actively traded following news of a joint video leasing venture with CBS/Fox Video and touched 38p before closing 2 dearer on balance at 34p. The management buy-out of the commanagement buy-out of the com-pany's industrial canvas and plastic products interests left Black and Edgington 6 firmer at

subdued conditions persisted in Properties and significant movements were few, but Stock Conversion encountered fresh selling on fading bid hopes and shed 8 for a two-day fall of 17 to 320p. British Land added a couple of pence to 107p, after 105p, while Land Securities gained the turn at 271p. Stockley Developments found support and Developments found support and fixmed 4 to 70p and Control Securities improved 21 to 43p.

bid hopes with a rise of 4 to 289p, after 290p. Dis-couraging reports on short-

term prospects emanating from an analysts meeting with the company on Monday depressed Beecham which

touched 305p at one stage before closing 8 down on balance at 315p. Speculative support fuelled

Textiles were highlighted by Scottish English and European which advanced 5 to 97p follow-ing the interim profits recovery and confident tenor of the accomand connect tenor of the accom-panying statement. In contrast, Nova (Jersey) Kuit, relatively firm of late on recovery pros-pects, encountered nervous sell-ing ahead of next Monday's half-timer and shed 4 to 55p.

As widely anticipated, Mercan-As widely anticipated, Mercantile House revealed a substantial uphurn in first-half earnings, but the shares, up to 443p in initial response to the announcement, reacted on the liquidation of sizeable bull positions to close 6 lower on balance at 427p. In contrast, support was shown for R. P. Martin which advanced 25 to 2850.

#### Shell suspended Oils got off to an indifferent

start but sprang to life after the start but sprang to life after the official "house" close following the suspension of dealings an Shell and Royal Dutch. The latter were quoted at £34, up †, and the former at £23p, up 8, ahead of news that Shell Petroleum NV, is making a \$55 a share bid for the minority interest in Shell America. Dealers suggested higher opening levels for both companies when dealings resume today. Shell are expected to resume around the £35p level and Royal Dutch around £34¹, although jobbers commented that both figures were "pure guesses." Other leading Olls raced ahead on the news, with BP rallying from 416p to close a net 4 firmer at 427p. Ultramar closed 12 to the good at £60p, Tricentrol 5 stronger at 203p and Burmah 7 up at 187p. LASMO hardened 4 to 330p, after 323p while Britoil were additionally boosted by news of an encouraging North Sea drilling report and advanced 15 to 230p. Recently drill Australian oils sproyded a

on runours of a commercial oil discovery off the coast of Western Australia. Weeks following news of a proposed one-for-five rights issue at AS1.20 a share to raise A\$46m for exploration purposes.

sterling. South African Golds bore the

fontein, £89]. Losses of around a point were widespread and common to Winkelbaak, £99, Rufiels, £321, Kloof, £29 and Western Deep, £321. Cheaper priced issues were highlighted by Deelkraal which retreated 10 to 257p and Welkom, 32 off at The Gold Mines index dropped

16.4 to 524.9—a two-day decline of 20.2, while bullion fell \$6.25 In Financials the London-domiciled issues were persist-ently sold in initial trading but subsequently railing to the control of the control above the day's lowest level closed a net 5 firmer a. after 647p, while Charter were finally unaltered on balance at 245a after 242p. Gold Fields 245p, after 242p. Gold Fields were depressed by the easier

Platinums were easier acros downture in South African issues, but Rustenburg rallied from an initial 710p to close only 10 off on balance at 720p follow-ing the increased interim profits

Australians remained a duli market, MIM Holdings easing 2 to 225p following the lower in-

Petroleum recorded 203 calls. Speculation concerning the group's stake in House of Fraser stimulated strong demand for Lonrho positions which attracted 558 calls. KCI recorded 479 trades with the January 600 calls 12 up at 340. while interest revived for GKN which attracted 308 calls with the March 200's doubling to 14p.

### **MONDAY'S**

#### **ACTIVE STOCKS**

the following stocks ye	sterday.	ioned in
Stock	Closing price	Day's
Associated Leisure	148	+29
Beecham	315	- 8
Bowater ,	289	+ 4
BP,	427	+ 4
Britoli	230	+15
Hawker Siddelay	408	+16
ICI	632	.+ e
Intervision Video	34	+ 2
Rank Organisation	<b>218</b> .	+13
Shell Transport	623*	+ 8
Strong and Fisher	208	+18
Ultramar	660	+12

Shell Trans. 460 | 167 (\*625) | 500 | 127 650 | 77 600 | 27 650 | 1

mperiatGp. 110 | 39 | 39 | 120 | 29 | 29 | 130 | 18 | 20 | 140 | 10 | 12 | 160 | 11<sub>c</sub> | 41<sub>c</sub> |

Feb. May Aug. Feb. May Aug

#### Golds weak

Mining markets came under renewed selling pressure as precious and base-metals gave ground following further strength in the dollar against

315p. Speculative support fuelled by revived suggestions of a bid from J. Bibby helped Pauls and Whites jump 18 to 263p, while Powell Duffrya improved 13 to 285p on recovery hopes. UKO International gained 7 to 11Sp following renewed support. Lep advanced 20 to 495p and Halma put on 6 to 152p, while S. Pearson picked up a few pence to 437p. News of a lm share-placing left Peter Black 5 lower brunt of the selling with the leading issues showing closing falls of almost £2, as in Rand-

terim profits.

A good business developed in A good pusiness developed in Traded Options. Total contracts struck yesterday amounted to 3.622 comprising 3,089 calls and 533 puts. Once again, Oil stocks featured with Shell Transport attracting 375 calls prior to the suspension of dealings in the underlying security. The Instructions underlying security; the January 600 calls rose 11 to 27p. British Petroleum recorded 203 calls.

## **ACTIVE STOCKS**

**EQUITIES** 

RECENT ISSUES .

# T150 F.P. — 172 136 198 F.P. 25/1 240 215 198 F.P. — 142\(\frac{1}{2}\) 34 198 F.P. — 142\(\frac{1}{2}\) 34 198 F.P. — 142\(\frac{1}{2}\) 34 199 F.P. — 142\(\frac{1}{2}\) 34 190 F.P. — 174 190 F.P. — 150 135 F.P. 31/1 19 16 170 F.P. 31/1 19 170 F.P. 31/1 19 180 F.P. 31/1 190 F.P.

Issue price £	Amount paid up	atest enune. date	198	3/84	Stock	Olosing Price	4.
	₹5	,— <u>~</u>	High	Low		54	<u> </u>
	F.P.				iAllied Textile 102 Cnv. Uns. Ln. 1993.		1—5
	F.P.		124	105	Arien Elect. 1154 Cnv. Ln. 1990	105	ļ
	F.P.		106 102		Atlanta Inv.Tst. 7, Cnv. Red. Cum. Prf.		ا
4 5	F.P.	! =	9915	101 981s	BAT Inds, 12'4". Uns. Ln. 2005'08 Do. Fitg. Rate Cap. Nts. 1986/90		
99,15	125	32:3	254		Elf (U.K.) 124% Uns. Ln. '91,		
99.714		26,4				32 %	- 3
100	F.P.	! —	10013		Kensington & Cheisen 11,15% Red. 2006	1004	
	£30	10:11		3012	Lon. Shop Prop. Spc Cnv. 94:99 Ser II.	46	<u>.</u>
195,711		15:6	25	2412	MEPC 103400 1st. Mort. Deb. 2024	25_	!
<b>§100</b>		1/3	13		Mid Kent Wtr. 12pc. Red Deb. 1995		
_	F.P.	} =	100%	. 1004	Nationwide 1012 8 Bds. 24:12:84 Do. 1014 8 Bds. 28:1:85	10014	
9.9	F.F.	! =			Palma Group 512 Cum, Pri, ±1	30p	
99.44		13/4	275	251	Queens Moat 12; 1st Mort. Deb. 2013		1
99.893		121/3	j 311g	295	Spain 123 Ln. 1988	31,	
		i	1				1.5

#### "RIGHTS" OFFERS

FIXED INTEREST STOCKS

Issue	dup	Rer	est unc.	198	3/84	Stock	50	   <del> </del>
price	E B	• da	ite E	High	Low			¦
300 92 R28.20 160 32 32 32 300 30	Nii F.P. Nii Nii Nii F.P.	Ξ	17/2 1.\/2 17/2 17/2 3/2 24/2 6/2 2/2 9/3	189 160 48pm 11pm	113 150 36pm 3pm 21pm	Cariton Communications 5p Charterhouse Pet. East Dagga Linked Units Ellis & Everard Hermon Smith 10p Jones (Edward) 10p McCarthy & Stone 20p Meggitt 5p	137	i

Renunciation date usually lest day for dealing free of stamp duty, a Figures based on prospectus estimates. a Dividend rate paid or payable on part of capital: cover based on dividend on full capital. g Assumed devidend and yield, a Forecast dividend cover based on previous year's samings. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend o Pence unless otherwise indicated, 9 issued by tender. # Offered to holden of ordinary shares as a "rights." \*\* issued by way of capitalisation. §§ Rentroduced. 91 issued in connection with reorganisation merger or take-over.

Deal- Declara- Settletion Jan 23 Feb 3 Apr 26 May 8 Feb 6 Feb 17 May 10 May 21 Mar 2 May 31 Jun 11 For rate indications see end of Share Information Service

Stocks favoured for the call included Grattan, UKO, Steetley, Barrie Investment and Finance, Camford Engineering, Premier Oil, Woolworth, Spong, Brunswick Oil, W. E. Norton, London and Liverpool, Moben, Brewmaker, Lasmo, Intasun, Gesteiner A and N.M.W. Computers. + 5 A put was arranged in Lucas,
-20 while doubles were transacted

#### RISES AND FALLS

**YESTERDAY** 60 879 290 70 10 69 74 308 160 29 8 85 62

#### **NEW HIGHS AND** LOWS FOR 1983/84

NEW HIGHS (70) BRITISH FUNDS (1)
Trees. 131-pc 1997
INT. BY. 8, OSEAS GOVT. STLG. ISS. (1)
MEXICO 15-pc 2008

CPU Computers Microsen Crystalate ENGINEERING (S) Allea (W. G.) Neepsend G.K.N. HOTELS (1) se Forte INDUSTRIALS (14) TEXTILES (1) S.E.E.T. S.E.E.T. TRUSTS (11)
Anglo-Int. Asset Sis. Jove Cas.
Assidows
Combrian & Gen.
Do. Cap.
Fleming Enterprise
Fleming Mercantile
Oscorey Petroleom
OILS (1) Osprey Petroleum
OVERSEAS TRADERS (1)
Finley Ulamesi 454 683 1,474 MINES (1) NEW LOWS (6) BUILDINGS (1)

# Creach Group ELECTRICALS (2) Imm. Bus. Systems Multitone Elects. SHIPPING (1)

30 26 —

1 8

**LONDON TRADED OPTIONS** PUTS Feb. May Aug. Feb. May Aug. Jan. Apr. July Jan. Apr. July Option

\ <del></del>	
B.P. 360 50 — — 2 — — LASMO 240 93 (*418) 390 30 43 53 1 10 14 (*525) 250 73 2 450 58 460 1 9 13 45 55 60 330 40 330 20	98 85 73 65 30
Cons. Gold 450 50 70 88 1 1 10 18 360 6 (*507) 500 12 47 54 5 50 74 55 76 600 1 25 28 47 65 74 600 1 9 ~ 97 100 ~ Lonrho 90 89	
	21 121 <sub>e</sub>
(*136) 86 51	67 49 34 20
130	32 20 10 6 3
G.E.C. 160 34 40 48 1 2 3 R.T.Z. 483 172 (*192) 180 14 22 80 1 5 8 (*547) 500 156 200 2 13 80 20 14 18 535 122 220 1 4 10 30 30 32 550 105	120
Grand Met. 300 43 48 52 112 4 6 600 57 650 72 650 650 16 350 014 9 14 22 27 32 650 45 700 4	77 48 18
1.C.1.	16 913 512 21 <sub>9</sub> 1
Land Seour. 214   58   63   78   1   2   2   2   (271)   236   36   41   47   1   2   4	CALLS
340 32 38 44 1 3 6 Option Mar	. June
257 15 24 31 1 7 11 80echam 300 28 260 1 11 17 11 21 24 (*326) 330 13	33

_		120 150 140	1	21 <sub>9</sub>	Ξ	251g 351g	261g 36	=
- 1				CALLS			PUTS	
	Option	ìi	Mar.	June	Sep.	Маг.	June	Sep
-	Beecharn (*326)	300 330 355 385	28 13 2 1	35 15 —	40 23 	6 25 45 73	30 —	13 55 —
	Bass (*318)	300 330	27 7	32 15	40 18	5 25	27	10 32
	De Beers (\$4792)	700 750 800 850	115 73 40 17	125 83 52 28	135 95 67 40	18 41 78	15 34 57 95	22 44 70 102
-	Guest Keen (*201)	160 180 200	46 27 14	49 31 20	52 33 24	1 3 8	2 5 14	4 9 17
-	Hanson (*272)	240 260 280	56 36 20 7	60 42 27 15	48 83 82	1 2 6 16	2 4 10 20	6 13 23
-	Tesco (*173)	160 180	19 6	24 10	29 14	3 10	13	6 17
	Jan. 24, To	tal Co	ntract	3,62	2. Call	s 3,08	9 Puts	533.

"Underlying security price.

80,92 +0.08 80.86 - 8.14 14 Pres theoges are published in Saturday leaves. A list of constituents is Cannon Street, Landon, EC4P 48Y, price 15p, by post 28p. **EUROPEAN OPTIONS EXCHANGE** 3 56 4 10 120 10 20 18 8 4,50 1,70 5,50 14 35 44 |5365 16 48 19 29 414 2 17 A 8 -6 16,50 June 13 10 10 2 40 10 40 — .400; 87 .420; 149 .420; 149 .30 .500; 115 .1100; 698 .5100; 698 .5100; 127 .1101; 447 .500; 129 .755; 129 .775; 259 .776; 259 .776; 269 .776; 269 .776; 269 .776; 269 .776; 269 .776; 269 .776; 269 .776; 269 .776; 269 .776; 276 .77 32 31 F.108.20 85 282 41 36 31 108 3 19 41 129 16A 10.90 5 - 12.20 F.75,90 

## 298.78 287.24 271.69 345.86 196.28 547.46 161.29 418.27 Mon Jac 23 926 10.07 11.15 11.09 12.06 12.07 12.77 10.97 19.13 9.76 11.86 18.73 18.10 11.23 18.88 18.17 9.75 11.50 11.54 12.86 12.86 12.80

TOTAL VOLUME IN CONTRACTS: 16,597

2 5.15 years

3 Ove 15 years

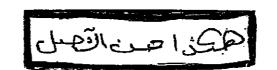
Need room 😮

to grow? Emigrate to

INDUSTRIALS (Miscel.)

## FT LONDON SHARE INFORMATION SERVICE

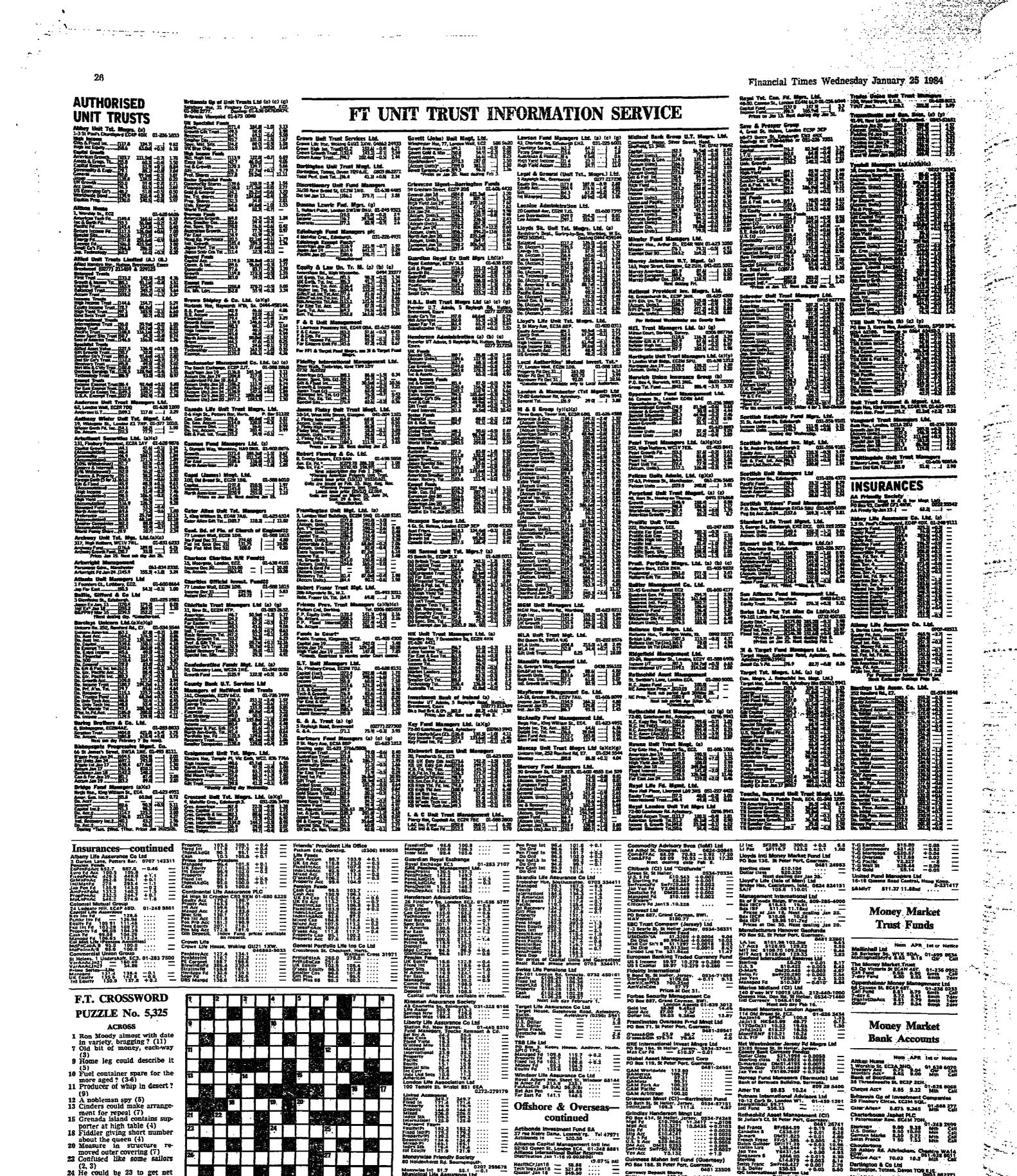
0952 613131	AMERICANS		DRAPERY—Continued	1963.08 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	20 62 RSwies Rais 10 67
0952 613131	High Low   Stock   f   -   Gress   Cw   Sri   35-p   2214   Abbott Labs.     3214   -1   \$1.00   -   2   3414   1774   Alcoa 15     1644     200   -   0   1679   Amdati     134   -1   200   -   2	2 1463-94 150ck Price   + 67 157.   7 62   1 7 64   1 7 7 67's   1 7 7 6	High Line   Stock   Price   -   Het   Che   Sr3   P.E   137   1982   Home Charm 10s   135   -2   Hell 33   24   1.4/28.3   120   House of Fraser   264   +14   7.5   1.9   4.1/28.0   160   12.2   House of Horse   149     7.6   2.2   7.8   3.0	41, 2 Broto Charmel 100 3 -12 55 0.6 7.5 (IP4)	INDUSTRIALS (I
	324 204 Amer. Expres 50 60 224 -12 \$1.28 - 4. 244 144 Amer. March Mat. Res. \$1. 324 14 48 - 1. 334 205 Amer. Mat. Res. \$1. 324 14 53.16 - 6. 474 44 65 60 - 8.	01 23 10 Allied Plant 5p. 189 <sub>2</sub> -1 <sub>2</sub> 8	88 64 kms (Eres) (bn. 76 -2 d5.9 d.3 7.3 - 54 32 Lades Prote 20p 50 -1 t3.4 0.5 t825) 153 83 Lee Cooper 128 -2 t3.52 5.6 3.7 5.1 168 114 Liberty 168 , 17.0 1.9 2.6128.0	20 13 Bronz Eng. 10p 1532 1.04 3.0 9.6(3.7) 28 8 Brooke Tool 5p. 1912 - 2 32.4 60 47 Samuel S. Tames B9 3.05 2.5 6.2 9.0	C32 250 AGA AS K30 1305 *340 255 ASB Reservo 10s 365 90 48 Aral 10s
BRITISH FUNDS	211-2   14   Amfac Inc	7 140 70 Boogeridge Brit 139 +2 5.25 0 24 9 7 33 16 Bankry Ben 10n. 25 12 31 61 63 6 276 162 Barratt Dev 10p 174 -2 7.41 25 6.1 67 2 34 16 Beechwood 10p 18 \$1.5 30 3(34)	76 30 Lincroft K. 10s. 76 3.0 6 58 6 2 *156 1261-8FF Fernant 10s 152 +1 13,7 2.6 35-158 2 235 191 Maria, & Spencer 225 +2 151 2.1 3.227.1 210 1315-1Maria, News 167 6,12 2.8 5.9 6.9	273 1421 <sub>2</sub> Bullough 200 265 115 0.7 3 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	55 St. January Bet. Ma. 30
"Shorts" (Lives up to Five Years)	23½ 10½ Brunswick Corpn. L. 21½ d - ½ 60c — 1. 29 22¼ C. P.C. 25c	9 73 41 Senford M 10p 57 -2 13 48 17 7.411.0	230   37   Mellos 58		153 65 PANSHIP Ints. 70 630 621 Internet 1950 6234 96 39 Amber Ind. 10p 94 770 75 Amber Ind. 10p 94
101   100   1   100   100   101   11   100   101   1	224 11 Chrysler S64 224 +4	5 73 46 Briting Belly Up. 58 32 1.4 7.9 1.18 7 68 36 Brd. Dridging 67 †10 0.2 2.1 — 30 13 Brown Jish. 205 23 1.4 — — — — —	285 168 (Olner (G.) "A" 280 -5 76.0 2.2 3.1 [J] 1 190 130 (Owen Owen	588   500   Chemring 5p   587 m   7.5   4.1   1.515 m   38   29   Christy Bros   38     4   -   -   -   -	42 289 Anglo Nordig 31 4 553 250 Appld Computer 510 51 15 Arenson (A) 10p. 18 31 10s Ameter Trus 10p 24
102 9 7 (ress 9 400 m 95 102 4 + 1 11 25 9.8 102 9 1 1 12 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	2012   2014   Ekkourp \$4	7	331 <sub>2</sub> 121 <sub>2</sub> Ramar Tests 52 271 <sub>2</sub> -1 <sub>2</sub> 10 28 5.2(74) 3 49 31 Ramar Tests 52 48ad -1 23 - 6.8 - 6.9 - 40 27 Raybook 155 - 39 -2 0.25 - 0.9 - 250 195 48arbar Sarbret 220dd - 96 9 • 3.0 •	68 56 Clayton Son 50p 65	48 9 Appliery Ind. TS. 24 455, 26 Ass. Bat. Spp. 12597 32 +3 1 260 129 Assoc. Brit. Purts 253 2 350 2415 Assoc. Brit. Purts 253 2 350 2415 Assoc. Brit. Purts 3559 113 85 Assoc. Telecom. 88 113 85 Assoc. Assoc. Telecom. 98 115 75 Attended. 99
89% 85% Treasury 3pc 1986 89% 3.36 815 10113 974 Exrth 103pc Cu 86 1002 4 + 2 10.44 10.22 103(1)100 5 Treasury 12pc 86 1022 4 + 11.66 10.55 984 98% Treasury 8pc 84-66# 98.4 - 2 8.66 9.34	205 122 Cons. Foods \$113. 19 (+15 \$1.16   - 6. 205 165 12 Cons. Hilmoly \$5 145	1 61 <sub>2</sub> 39 Comen Readsone 582 <sub>2</sub> +1 203578 1.5	39   22   Da Xear 1212   30     B       7.6	185 + 19 15.75 1.3 7.813.7 (2022) (102 Cumpsing 78/74) (2022) (102 Cumpsing 78/74) (2022) (103 Cumpsing 78/74) (2022)	148 85 Aton Russer 11 130 -3
50%   84%   Exch 2%pc 1986   85%     2.91   8.19	1030 76p   Derma-Lock Medical   82p   -3   -   -   -	130   55   Crouch (D.) 20p   78   -2   5.05   6.91 9.2 (135)   5   128   54   Crouch Group   54   -2   -   -   9.4   5   115   85   Dev (George) 25p   1.03   -2   57   37   7.9   3.7	17 <sub>2</sub> 10 Seintourt 50 145 2 2003 202 - 124 162 76 Servisot (S) A 162 40 20 35 17.4 148 112 Serviso 4 3 50, 123 150 2.6 3.4 165 2	80 33 Davy Corp 57 -2 3.69 1.2 9.4 1.1 9.7 1.2 9.4 1.1 9	36 170 80C Group 298 C215 (129 to % Catalant & 52082
100½ 95% Exch. 105pc 1987	19   105   First Crucago S5   171   -12   Si.32   5.     287   227   Rondt Pourr & Light   255   -14   \$3.40   9.     155   167   Fluor Corp. S5   134.51   80c   4.     33   155   Fourt Motor \$2   31.6   1.     31   155   Fourt Motor \$2   31.6   1.     31   15   10   1.     32   15   10   1.     33   15   10   1.     34   15   10   1.     35   10   1.     36   10   10   1.     37   10   10   10   10     38   10   10   10     39   10   10   10     30   10   10     31   10   10     31   10   10     32   10   10     33   15   10     34   10   10     35   10   10     36   10   10     37   10   10     38   10   10     39   10   10     30   10   10     30   10   10     31   10   10     31   10   10     31   10   10     32   10     33   10   10     34   10   10     35   10   10     35   10   10     36   10   10     37   10   10     38   10   10     38   10   10     39   10   10     30   10   10     30   10   10     30   10   10     31   10   10     32   10   10     33   10   10     34   10   10     35   10   10     35   10   10     35   10   10     35   10   10     35   10   1	9 178 124 (45me 89,60m) 130 7.0 2.6 7.7 5.5 1 112 88 Feb. Intl. 10p. 100 142.4 3.1 3.413.6 1 17 72 74 Pa 1413.6 1 17 72 74 Pa 1413.6 1 17 72 74 Pa	105 74 [Stead & Sim 'A'] 9401 (9.75 1.5) 7.214.8 1 142 82 [Stembers 10s 1.50 -1 1.10 9.4 2.216.0 143 72 Steine Gran 25: 133 -2 1.125 8.9 1.371.9 1 112 13 Steine 20s 1.103 1.3 1.5 18.0 2.18 8.3	101   57   Derriterol 50p   101   50   7.11   7.19   105   7.19   107   108   107   108	310 227 Baird (Wm.) 11 325 1+2
1044   975   Treas 12pc 1967   103.2 + 12   11.61   10.87     1012   975   Exch 102pc 88   94.2   12.61   10.87     1012   975   Exch 102pc 88   974   12.63   10.65     1012   975   Treas 94pc Com 88   974   12.63   16.56     1013   1014   10.87   10.87     1014   975   Treas 94pc 788   974   12.63   16.76     1015   975   Treas 94pc 88   974   12.63     1015   975   12.67   12.67     1016   975   12.67   12.67     1017   12.67   12.67   12.67     1017   12.67   12.67     1018   10.87   12.67     1018   10.87   12.67     1018   10.87   12.67     1018   10.87   12.67     1018   10.87   12.67     1018   10.87   12.67     1018   10.87   12.67     1018   10.87   12.67     1018   10.87     1019   12.67	385, 240, General Feath Capp. SL 385, +1, 52.40 4. 355, 264, 664ects \$1	5 228   116   Fintan (John) 10p 180	46   30   Tern-Consulate   40     0.25   12.1   0.9   9.5   28   13   Time Prots. 10p.   261     -   -   -   1   1   1   1   1   1   1	150   110   Farmer (S.W.).   146     9,75   2.27   9,5   6.1   145   122   Fife indmar   128     143   2.77   7,0   6.0   24   16   Firth (G. M.)   10p   200 <sub>2</sub>   -1 <sub>2</sub>   140.3   1.8   2.137.4   1.9   1	78 34 Saynes(Charles). 72 -3 250 160 Beatson Clark 190 +2
Five to Fifteen Years	1 397 1897 177 327 327 3276 6.1 1 394 29 (maersoli-R \$2 38  -7, \$2.60   4.	2 212 1253   Gleeson (MJ) 176   4.5   3.8 3.7   8.8   75   53   Glossop 61   5.08   8.7   11.9   7.6	106   43   Walter (Jas.)  100   -4   1.5     2.1     86   32   Do. N.V	57	50 23 Beniox 10p 30 +1
114 103 Treasury Spc '86-89 83½ (+½ 6.69 9.67 114 103 Treasury 13pc 1990tt 107% (+½ 12.09 11.23 110% 100% (+½ 11.87 11.28	18%   450p   7. U. international   1775   -1   \$1.15     4.   For int. Tel. Tel. see   17   31%   16%   Lockheed Corp'n .   27%	5 * 37   26 Hewden St. 10p   33	220 147 Wigdati (H ) 148 -2 367 165 Wigdati (H ) 8 367 353 -3 F6 D - 2.4 56.7 2	65 30 Habit Precision 5p 52	405   225   Serinbell   \$73   145   100   145   100   155   146   100   160
934 884 Treatury Suc 87-902. 997, 1-1, 9.17 18.48 200, 20   Treas Date Cr 90 (2004) 201, 1-1, 10.41 10.83 10.83 10.84 97   Treasury 114gc 1991. 1823, 1-4, 11.50 11.24 83 744   Funding Suge 87-912 821, 1-4, 7.12 9.56 103 197, 197, 197, 197, 197, 197, 197, 197,	21   937p Loves USSO 50   1622   -1   1342c   1   312   232   Mant. Hav. USSO 50   2822   \$3.04   7.   3614   1714   Merrill Lynch \$1   234   +14   1800   2.   1004   6   Micromorbi Neuro   18     180   2.	5 137 98   .D.C. 20p 132		211; 9 Hamsson 59 20	345   242   Binck (P) Hidgs   333   -5   153   113   Blundelf Perro.   121   -1   68   34   Bodycote Int   67   -1
1145, 102   Treasury 124pc 9211   108   +5   1182   11.22   11.23   11.24   10.25   10.25   10.25   10.25   10.25   10.25   10.25   10.25   10.25   10.25   10.25   10.25   10.25   10.25   10.25   10.25   10.25   10.25   11	11½   950p   Pacific Sa. & Elect S5   16½   -½   \$1.60   —   11.   27½   21½   Penngud Co.	6   128   129   Latarge Cop F100   1272     4018%   129   5.4/20.7   6   178   61   Laung (John)   143   +1   †2.88   2.81   2.913.1	£414 £232 Asea AB A £41 -4 4010% 1.9 1.150.0	21 13 Howard Macry, 183 <sub>2</sub> +1 <sub>7</sub> 12-42 24 4.214.8 89 64 Howard Group 82 +1 12-42 24 4.214.8 1-74 51 Jacken J&HB 5p 72 1.7 6 3.4 6 11 59 10ers & Shipman 44	20 9 80gs/Pcl.4*10a 16 119 61 800ker McC. 111 +2 375 250 80st (Herry) 50p 222 -3 191 110 800ts142 +3 1184 (210% 1864 W. USS2 50. 5164 sml -1p 309 153 80sustre f1. 229 44
1264   1124   Tressury 149c   74tt   119d   +1,   12.04   11.10   1173   1094   Exthequer 135cc 1994   1165   +1,   11.52   1126   1146   1002   Exch. 121cc 1994   107d   +1,   11.53   1121   943   864   17estury 9cc 94tt   923   14.65	141   850p   Resourd \$5	24   13   Leyland Paint   22	460 235 (Attack Company 10) 453 -2 18225 62 0.724.0 1 2512 6 Auditofrom: 219. 2412 -1 10 and 26 6 7 0.6124.9	126 85   Laird Group   116   42   32 52 81 39 19   Lake & Elliol   37   -	169 1904 Stranmer 200 1553
1184   98   Treasury 120c 95   105448   +4,   11.49   11.46   11.56   10.54   11.47   10.54   11.48   11.45   10.54   10.54   10.54   10.54   10.54   10.55   10	334 224 PShell 01 \$1 314 +4 52.00 - 4 354 2 4 51.92 - 3.	5 198 132 Lovel (V. J.) 174 [-2 5.2 ] \$\phi 4.4 \phi 9 ^399 203   \(\phi \text{Carps & See 2b} \) 390ml 193.5   \$\phi 1.3 \phi \text{Line (9.3.5)} \phi 1.3 \phi \text{Line (1.6.4)} \\ 1 1.80 1.20   \(\phi \text{MicLaughin & M.} \) 145 16.4   3.3   6.3   6.8	For Bell Electronics see DSE Technology 155   40   HState (Michel) 250   45     d3.0   1.9   9.5   8.0   312   228   Bowthorpe 100   272     14.04   3.4   2.1   17.6   3	33 13 Linread 33 01 0.4 0.4 0.3 0.1 0.4 0.4 0.5 0.1 0.4 0.5 0.1 0.1 0.5 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1 0.1	76 40 Sridger-6 200. 75 246 170 Set Resume 50, 246 +4 127 66 Set Resume 50, 277 +2 70 24 Set. System 206. 79 207 136 Setist Vita. 79 -2 32 360 Set Prop. 54, 2 572 -18
94½ 63½ [reasory 9sc 92/96±2] 93½ 1-½ 9.99 10.65 1334 121½ [reasory 95-ge 96±2] 1394, 1-½ 12.03 11.14 121½ 109½ [Exchequer 13-ge 96±2] 118 1-½ 11.48 10.93 70 58 Redemption 3sc 1986-76 682 12.4 4.85 6.35 116 1107 [reasory 13-ge 97±2] 116 1-½ 11.43 10.93	294   20   Franco So   294   4   52.80   (6. 171   119   10.10% in. St. 91.45   169   10.4   (5. 174   184   174   184	2   119   68   May & Hasseli   217  -1   †3.8   4.8  4.6 (4.8)	185 163 ACass Grp 10p 188 +d25 3.4 20/21.2	287 227 Martonair 20n 245 65 2.0 4.613.8 773 9 Metchaie Bros 132 7.728 1.77, 9.9 10 56 37 Metght 25 51 -2 102.0 18 5.912.1 50 20 Milkeni Inds. 5p. 25 52.6 0.9 4(103)	42 16 Breek St. 8- 10p 41 +1 BP9- 41 Brown Bou, Kest 48
116   107	527 <sub>6</sub> 337 <sub>5</sub> 19d. Tech. \$US5. 560 <sub>2</sub>  -1 <sub>3</sub> \$2.60   3. 233 <sub>4</sub> 123 <sub>4</sub> \(\psi \)U.S. Steel \$1 227 <sub>6</sub> + \(\psi \) \$1.00   3. 267 <sub>6</sub> 140 <sub>2</sub> \(\psi \)Wootworths \$15 <sub>2</sub> . 241 <sub>2</sub>   -7 <sub>4</sub> \$1.80   5.	28 15 Miler (Star) 10p 24 -12 d1.6 3.1 9.5 (3.8) 2 32 20 Mod. Engineers 20	137 83 Du Pyetta Cos P 130 71-% 15/5 54 170 hangs Hidgs 84 986 16/11 5.7 188 107 4-CHer 10p 107 415 16/12 5.9 10/13 9	52   36½   MitchellSom.10p   43     3.25   1.6 10.8  7.2 165   95   Midles	46 26 Burns Andr'n 105 39 128 70 - Haubers Comp 105 75 -30 221-5 C. K. Ind'n 10p 28 +12 284 145 PCSR AS1
Over Fifteen Years	CANADIANS	450 214 Nott Brick 500 440 14.0   6 4.5 6	168 90 CrayE'tronic 10p 240 +3 +1.76 2.5 1.8.27.4 210 153 Crystatate 5p 2.8 +14 3.26 3.3 2.219.8	85 67 Newman Tonics. 85 +1 5.1 14 8.6 (8.7) 40 12½ Nerton (W.E.) Lp 13½ 8— — — — — — — — — — — — — — — —	82 47 Gannion (W.) 79 -1- 37b, 22 Capairo lais 36b2 -1 109 97 208/A-Cafand 109 157 69 Cape Instantives 189 175 110 Carton Inst 265 +5
1164   1034   Exch. 124gc 1999   115   +3;   11.04   19.75   1044   274,   17estruy 105gc 1999   102;   43;   10.49   1	8790   5580   Bk. Nova Scot. U   831pt   -23   MSC   -   51	250   160   Pochina   210   11.88   3.0   8.11   4.5   4.5   3.0   8.11   4.5   4.	105 75 HOLJ Sec. Alm., 106 109 12.1 ks.3/ 3.0/12.5 3 93 66 Date Elect. 106 79 -1 4.0 22 7.27 79 18 11 Devitus: 'A' 106 15	96 39 Porter Chad. 20p. 78 0.35 0.6 40 25 Pratt (F) 34	175 110 Carlton Inte. 1255 +\$-35-35-3 29-5 Celestion 20 1114 -4-5 58 25 Cent. Sheeved. 59 58 25 Cent. Sheeved. 59 58 27 25 Constitute 19-1, 179 25
116% 99%   Exch. 120c '99-02   109%   +-%   10 93   10.67   130   111   Treas. 134pc: 2000-013   122%   124   +-%   11 7   10.75   114%   99%   Treasury 11/pc '01-04   113   +-%   10.55   10.27   10.56   10.27   10.26   10.	24 982p Brascang	E178 (128 Redard (f Wrists.)   [160   +1           165   85   Roberts Adiard   132   -3   tb.0   1.9   6.5   12.5   For Roban Group see Property 37   24   Rowinson 10p   34   -3   d0.65   6.0   2.7   6.4	*164 95 Dubuler 5p 150 -2 20 26 1.928.4 312 195 Electromps 10s. 292 -6 130 3.6 1.527.2 *252 125 Dean-Prents 305 162 -6 191.5c 12.3 0.613.1 2	50 26 R H.P. 43 182 12 42 43 24 25 12 12 RTD Group (RED, 201 1842 175 192 R Trasomes Sim. C1 275 112 12 2 6.2(6.5) 91 53 Ranchilly (G.B.). 87 1.175 9.3 2.9 -	40 29 Christe-1,10p. 48 340 1,86 Christies tot. 10p. 388 193 117 Christ (Ciences) 345 179 1,31 Christ (Ciences) 148
1172   1744   1748ary 8pt 12-054;   8844   +3   9.53   9.77   1172   +4   10.54   10.35   1324   115   1748ary 114pt 10-408.   1305   +4   10.70   10.38   659   534   1748ary 55 pt 10-1222.   634   +4   8.92   9.37	140 <sub>2</sub>   8800   Can. P. Ere.     144 <sub>4</sub>     800   —   33 1800   650   9Creenwich Resident   178 <sub>0</sub>   —   —   —   —   —   —   —   —   —	250   110   SGB Group   128   -2   05.6   \$\tilde{\te}\$   6.4   \$\tilde{\te}\$   80   46   Sharpe & Fisher   74     120   2.6   3.912.8   35   149   Shefflets Brick   17	45 33 Energy Serv. 10p. 36 +12 11.0 1.11 4.0 (0.11) 370 215 Enrollers 10p. 265 3.25 \$ 1.8 \$ 28-2 171-2 [FK] Elec. 10p 22 +12 100.2 5.9 1.314.5	34 15 R'atre l'ean 10p 16 -112 8	116 107 Com leds 10p 118
Undated	16½   12½   Welfinger 35   144   32.20   8.14   145   Hudson's Bay 8   13-mil +4   60   2.   224   14   Wimperial Oil     22     \$1.40   31   12¼   720   Incol     10½   -2   30520c   1.4   605 o 100   Int'l Carona Res.   605 o 100   Int'l Carona Res.   605 o 100   100	67 51 Smart (J.) 10p. 54 43.95 1.1/10.4/11.5 55 20 Streeters 10p. 20 4 4 466 390 Tarmac 50p 460 -2 111.0 2.9 3.4/14.6 93 91 KTay Homes 914.1 2.1 6.4 93	-186 69   Fidelity 10p   153     13.0   6.6   2.8     121   75   First Castle 10g   113   -1   11.75   3.3   2.2   153   4	46 18 Robisson (Thus.). 40	52 32 (2m. Submy 10 38 283 120 Cooksan 50p 282 -3: 88 44 Cope Altaran 5p 88 145 38 Copydey 10p 135
42   35%   Konsolt 4pc	970b 6659 Wield Max Gas S1 970b \$1.10 — 6.5 (42b) 190b Massey Fers 1 351b -13 8— 20 20 130b 980b Algor 102 +1 50c - 21 204 130b Royal Bk Can II 1992f -1 52.00 — 5.1 774 139 Sargana Ca. CS1 254 USSU60 — 1.4 90b 659 WTalcarp 750 153060 — 1.4 1500 1500 1500 1500 1500 1500 1500 150	112   76   Tilbery Grp	414 239 Fujiess 750	299, 129, Smith Writt. 5p. 29	55 26 Cossit — 47 +1 103 74 Courty Pope 20 102 55 21 Cosside Srt. 10p 30 -1 140 90 Creas (J.) 130ai
Index-Linked	145p   115p   400 pref 53   145p     10%   - 11/ 1985p 637p   Tor. Dom. Bk. g   960p   -17   \$0.76     4.5	1351 <sub>2</sub> 77 UB& Group 133 -1 t6.5 1.0 7.0(61.1 50 35 t0xtreactes 29 45 103.0 1.3 9.5 01.9 29 23 Vects Stone 10p. 28 2.0 1.210.212.7 223 1.07 Verroulant 138 +6 7.26 0.2 7.5 (27)	*172 1011; Grosvenor Grp. 165 -3 5.25 2.24 4.5 (127) 1 125 75 HHE Cart. Comps. 10; 118 1.12 3.2 1.426.5 1 85 481; HHEGand. 85 d2.52 - 42 - 1	(84   21   TACE 10p   184     3.0   0   2.9   0   52   194   Tecalemit   51     51.9   1.3   5.3   01.7	16. 25   CredyWiFid 10
11114 97%   Do. 2bc (1.1. 96	DANKS, H.F. AND	75 55 Ward Hidgs. 10p. 69 44.2 2.8 8.7 (4.5) 64 42 00. Defd. 63 61 1.5 9.6;10.1 186 144 Warts Blake 129 13.75 2.8 3.0;16.6 95 68 Western Bros 60 113.9 12.3 Whatlays 75 12.5 4.0 4.8 5.7	*35 9 Historice (1 IQ: 13 1— — — — — 62 49 ICL 63 +1 8.8 7.8 1.6 7.3 4 1 12 -3 14 112 -3 14 112 -3 14 112 -3 14 112 -3 14 112 -3 14 112 -3 14 112 -3 14 112 -3 14 112 -3 14 112 -3 14 112 112 112 112 112 112 112 112 112	60 34 Tex. Abras. 10p 60 3.25 1.0 7.7 18.1 170 1335 Thyssen Dm 10. 442 -5 71.5 26 2.8 15.1	233   62   Davies & Ni warn   1860   -3   670   520   De La Ree   680   -3   37   11   Diamond St. 10p   31     13s   63p   Dialoma 10p   12s   680   Dialoma 10p   680   -2   87   57   Doisson Park 10p   78st   +2
1042 914 Do. 21 <sub>2</sub> pc i.l. 2009. 952 3.00 3.11 1091; 1005 Do. 21 <sub>2</sub> pc i.l. 2011. 1005 d 2.95 3.00 1004 884 Do 21 <sub>2</sub> pc i.l. 2016. 915 291 3.00 924 915 Do 21 <sub>2</sub> pc i.l. 2020. 914 2.85 2.92 Prospective real redemption rate on projected inflation of (1) 10% and (2) 7%	1983-84   + or Bit.   Yild   High Low   Shock   Proc   -   Net   C'w   6/3   P/E	129 50 Whittphim 124g . 127	379 222 Kode Int 242 +4 18.0 2.3 4.7 13.3 1 317 195 Let Refrig 315 18.0 4.3 3.6 8.0 2	86   60   Utst. Wire Gross   79     5.75   1.4310.4(9.1) 137   86   Victors II   137   +4   43.0   1.4   (0.85) 170   112   Victor Products   130     4.6   2.6   5.1   9.9 170   165   Vosper   282     5.0   3.6   3.5   3.6	350   26   Delbuts Plato 121gs   348   -2   107   30   Deem Hidgs; 10p   107   +2   140   22   Desemblos; 16t; 20p.   131   -2   5245;   6177;   51999 Corp.   1551   6245;   -2   -2   -2   -2   -2   -2   -2   -
INT. BANK AND O'SEAS	356   172   AAX SA1   353xc   +8   0.28c   3.1   5.2   73   410   225   Alexanders D. E.1.   488   +9   22   0   -8.0   -1.0   1.0	i	140 105 Storin Elec 20p. 127	123   57   Wadkin 50p	40 23 Down Suryl 10s 40
GOVT. STERLING ISSUES  121-2 (1025-)   Australia 139-per 2010.   1157-pt     11.64   11.55   11.05	33.0 170 Sk. Ireland E1. 33.0	6284 [104   Alexo FI.20	268 150 Filesty Construct. 240	728 9 Wellmas 14½ -½ 80.1 - 1.0 - 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0	80 50 Dyson (J. & J.). 77
107%   1039   Fenkard 142pc Ln 1986   107%   113.59   19.73   108%   90%   teckno ee Bt 12gc 2003   204%   113.59   11.73   106%   1012.81   11.8   1014   101.4   1	54 41 Do Warrants 56 57 -32 Cities Dis'ns 20p 54 -1 13.2 - 8.5 -	78 60 Arrow Chemicah; 77	230 133 14Miles 33 10p., 220 a2.0 3.6 1.3 23.5 19 712 Milel Corp R 1002 - 4	50   80   Williams Hides.   150     -   -   -	9E   111
984, 775 Mev 164pp 2008	980   650   Com/zbk DM 10   895   1-6   gr12%   -   4.7   -   6.22     11.0½   Chgn.Hist. lof 100   622	18½ 10½ Brst. Bergal 10a.   14½       75 73   36 Brst. Tar Prot 10a.   71   12.4   1.8   4.815.6   5258 1332 VCin. Geography 6250     08% 71   13.2   12.4   12.5   13.7   13.2   12.4   12.5   13.7   13.7	06 15 Modyrez 20p 42 +11 - 533 3 3 5 2 993 151 2 Modyrez 20p 42 +1 5.0 4.9 4.9 4 192 124 Mortreds 53 - 2934 +1 051.60 4.9 4.9 4 175 125 Mortreds 125 125 125 125 Mortred 125 125 125 125 125 125 125 125 125 125	90 280   Yarrow 500   310     10.0   1.5   4.6   (0.2)     FOOD, GROCERIES, ETC.	74 25 Eisen & Robbies 65
CORPORATION LOANS	75 39 First Nat. 10p. 6772 - 1 54 5½ ½ Do. Writs. 75-83 ½ 52 20 B WFirst Pacific Fin 15 + 3% 08c 2.3 4.5 9.5 42 30 WFirst Pacific Fin 15 + 3% 08c 2.3 4.5 9.5 300 161 Gerrard Natur 335 + 3 8.10.0 - 4.3 -	102   80   Ceates Bros	99 82 Marray Elec	50   252   Alpine Soft D 10p   30   +1   1.8   0.7   8.6   (15)   54   109   Argelf Group 10p, 151   -2   104.5   2.7   4.3   (3.7)   107   127   4.8   6.5   16.8   10.2   10.2   10.2   3.8   1.6   10.6   10.5	158 90 H-Equipu 10p 110
103½; 99¼; Birm Nam 12½pc 1985. 102½; 12.11 9.83 105½ 101½; Birm Nam 12½pc 1985. 105½; 12.22 10.98 100%; 95½; Cardiff 11pc 1986 105½; 18.94 10.76 102½; 100½; G. L.C. 13½pc 1984 1.00 3, at 13.23 18.53 82 70%; Do. 6, bac 90.92 79½m; 8.44 10.52	340   161   Gerrard Nath   335   +3   810.0   -   4.3   -59   43   Goode D't May 5p   52   +2   1.0   -   2.7   -   208   125   Grundays	104 69 Haistead (J.) 100 78 3.0 3.0 5.5 8.6	1972 11 pb 10x 0x 9, 94 1 1972 1076 — 7.37 — 5 220 155 Newmark Louis 215 + 15 12.0 9 8.0 9 2 5280 555 Newmark Louis 215 + 15 12.0 9 8.0 9 48.0 9 5 6280 6 155 Newmark 100 288 — 2 65.77 6.3 0.4841 7 2	114 7 Sarker & D ip 104 -4 58.7	81 - 58 Expanse Int'l 81
891, 824, Herts 64pc 1985-87, 891, 7.65 10.87 121, 107; Leets 131; 9c 2006 121 11.54 11.57 1004, 97 Leeroed 91; 9c 30.84 100 9.75 9.63 30, 27; 93, 93; Lin. Cor 94pc 84-85 984, 9.43 18.44	861 <sub>2</sub> 50 Heng Starg.\$2.50 77 -3 1955c - 6.3 - 88 57 Jest Topa 668ct - 86 -1 155 - 9.1 - 9	C184 E103 DeFe10Mbeti. C182	480 [340   Paccrol Elect 455   -5   103.6   5.3   1.123.9   163   146   PPercom 100   162   11.7   1.5   1.5   1.6   1.5	99 61   Basset Foods   99 +9   473.76   29 5.4(7.1) 96   74   Battey York 10p   75st	144 102 Fergason Ind. 138 -775 394 Fisans £1755 77 17 Fitzvilton
984         814         LCC Signer 32-84         98ari         5.61         9.71           864         785         Do 5-3per 25-87         864         6.37         18.39           83         75         Do 6-kper 28-90         31-kmi         8.27         10.76           264         231         Do 3per 200 Art         264         11.77         11.77           103         100         Sander lard 12-kpc 1984         2011         12.07         10.36	585 395   Lloyds £1 580   +5 124.58 3.8 6.1 4.3 4.2 250   Margon Fin. 20p. 37 91.0 1.1 3.9 (28 540 234 Margon Fin. 20p. 37 91.0 1.1 3.9 (28 540 234 Margon Fin. 20p. 37 95 26 95 95 26 95 95 95 95 95 97 98	38 15   Wherey (R. H.) 10s 37	173 (156)2 Printer Fri. 3-175, 1571 (3-175 (5-175 .	128 156 Seriford S. A.W.). 211 -2 7.0 23 6.1 (0.5) 155 63 488-15015 10.0 92 -1 14.3 6 -1.5 -2.0 20 107 Skinop's Gr. 280 -1 14.3 6 -1.5 - 2.0 -2.0 10.0 84 krys. 210 14.3 6 -1.5 - 2.0 -2.0 11.3 12 0.8 12 42 10.0 28 0.7 2.9 3.6 13.0 28 2.5 12 Stroke Stord Confect. 74 0.7 2.9 3.6 13.0 28 2.5 12 Stroke Stord Confect. 38 0.7 2.9 3.6 13.0 28 2.5 12 Stroke Stord - 38 0.4 1.1 12 7.3 (0.8) 12 7.3 (0.8)	66 61 #Fisses #60.10. 61 190 64 Fobri Inti 10p 844 72 54 Fogarty 30p 631 84 58 0 0.0 Defd 80
COMMONWEALTH AND	[99] 6892 Da.104-4 93-8. [992]	200 132  Piysu 10s 196 + 2 tn2.27 5-2 1.718.7 262 180  Ranson Wm. 10b 27 6.5 1.6 4.517.9 140 1002  Rentoki 10p 137 -1 th1.63 1.0 1.726.7 312 204  Son Ap 151 312 16.5 2.0 7.6 9.4 6.4 31  Son Ap 1100	257   1127 <sub>2</sub>   Proposite Hare Ia.   235	76 50 Bise Bird Confec. 74	125   95   Forter-gill-lawery   110     86   24   Francis   lods   86   25   105   Fresch (Ther) 10p   275     180   109   Friedhand Dgt   156   43   266   185   G.R. (Heign)   246   18   47   19
AFRICAN LOANS  8414 7414 N.Z. 714pc 1988-92 82 8.88 19.57  9414 8894 Do. 713pc 183-35 81  181 156 S. Ritor. 213pc Non-Acc. 180 17.9  18 74 Do. 31pc 80-95 Assat. 84 +1 422 15.49	228   115   Royal Bit, of Scot.  216   -2   7.4   3.3   4.9   6.9   905   465   Schroders £1   905    15.0     2.4     280   200   Sectorable MC £1   280   +10   19.0     9.7     15.7   16.224   Sec. Pacific Corp.   £351 <sub>4</sub>   -4   952 40     3.7	133   102   Wolstenholme   127     625   2.1   7 0(7.9)   85   44   Veris Chema   62     1.0   0.6   2.3	247 143   Renishay 5p   210	38 23 Charter & Farjas 34	77 26 Septemer N. N. Ng. 72
86 74 Do. 3-pc 80-95 Asset 84 +1 423 15.49 57 444 Do. 4-pc 87-92 Asset 55-st 8 49 14 80 395 1321 Zembabwe Arn (U100pa) 350 8 49 15.86	\$231 <sub>2</sub> \$111 <sub>2</sub> \$7rade Dev. \$1.50 \$20	1	495 [348   Scholes (GH)	29   16   Essian (J. E.) 50   27   -1   ±0.00   1.00 4.9717.5	212 1.44 Grantz A 192 -2 160 112 Separrot 10, 147 -3 21 189 Growted G, 5p 185 +13, 154 77 Haina 10p 152 +4 180 43 Hancer Inc. 10p 143 288 277 Nassen Trest, 273
Building Societies  100% 100   N white 11% of 13/2844   100% of   -1/2	258 149 Westpat \$41 258 +3 025t 22 6.4 71 250 154 Westpat 20p 250 1 d3.91 - 2.4 -	29	107 126 150-150-150 150 150 150 150 150 150 150 150 150	80 [110   Fach Lover  20p.   164st     18.0   1.7   7.0   018   38   65   45   45   55   5   5   1   1   1   2.7   2.9   2.9   2.7   2.9   2.9   2.7   2.9	2291 1.178 Dn 94sc (m. 2004.06 (1278 )
100% 99% Do. 11% of 9 4.84 100%   11.23 9.95 100% 99% Do. 10% of 99% Do. 10%	330   1.40   Rédiric Lealer Sp.   330   +3   c28   5.71   1.215.4   35   231-   Cardes (rids) 1.06   311-   -12   rid.28   21   5.8   9.5   5.0   1.0   5.	42(5) 29(5) 80. A 50. 34 -1 2 05 8 3 8 6 - 975 675 44Asprey	84 54 Do A' NN 5p. 59	722 2261 Histon (A.) 106 272 8.0 3.7 3.9 8.9 106 76 Monte Farm 106 85 3.25 3.4 5.5 7.7 80 1321 Kwik Save 106 174 2 10.25 1.2 3.0 (25)	99 52 Hentry Grp 125gs 94 151e 151e 151e 152 152 152 152 152 153 153 153 153 153 153 153 153 153 153
100\(\frac{1}{2}\) 99\(\frac{1}{4}\) D0. 10\(\frac{1}{2}\) 00\(\frac{1}{2}\) 10\(\frac{1}{2}\) 10\(\frac{1}\) 10\(\frac{1}{2}\) 10\(\frac{1}\) 10\(\frac{1}\) 10\(\frac{1}\) 10\(\frac{1}\) 10\(\frac{1}\) 10\(\frac{1}\) 10\(	160   114   Prov. Floracial.   159   -1   180   1.9   7.210.5   111   86   9980.8c.lasp.Mo.   109     F2.0   \$\phi\$   2.6   \$\phi\$   10   47.   Sturta Widgs. 10p   6#     F2.0   \$\phi\$   2.6   \$\phi\$   2.70   T.30   Ultri League 20c   230     etc   etc   41.0.915.6	26 11 Balton Text. 5p 25 +2 2 0.8 7.1 (92.7 ) 53 24 Breitner 44 22 0.8 7.1 (92.7 ) 236 196 Brit. Home Sirs. 218 525 2.7 3.4 (15.7 )	677   416   Therm EM     650   +7   15.75   2.5   3.5   14.5   1 169   115   10.75 (to W 92.99   164   +2   7%   33.5   6.1   -1 190   152   There F. W. 10p   173     3.0   5.4   2.5   18.6   1 129   63   Tousin Down VSC   123     0.14%   2.2   1.726.1	73 120 Low (Wm.) 220 330	151 116 Happerth Cresc. 133
100%) 99%) 0010% pc 3.12.84.   99%     19.24   19.21   Public Board and Ind.		466   276   Burton Gro. 50p   450     10.0   2.7   3.216.1   84   49   Caird (A.)   58     0.5   1.4     70   43   Cautors 'A' 20p   65     1.5   5.5   3.3   5.8	33 140 U.E.10p		For Hill (Chas) see Keened 71 22 Neetle Gros. 24-25 37 63 38 Neet Loyd lat. 105 63 136 Hostors & H 206 130
37%   31%   Met. Wtr. 3pt '6"   37%     8.31   11.11  Financial  97%   92   Issuin teribi.com/31-36   97%   4-1   6.51   11.36	BEERS, WINES AND SPIRITS 153 129 JAINEG-LYONS   147  +2   16.05   2.11 5.91 9.8	82   65   \$\(\frac{4}{c}\) Eastle (E.B.)   80   -1   92.5   2.4   4.5 13.6   343   -1   92.5   2.6   4.0 15.2   51   2.5   Comb. Eng. 122.5   51   1.62   3.3   3.1 (6.6)   180   120   Comer Group 5p   166cc   -2   ha285   51   2.8   93.1   138   1.14   Courts 'A'   1.35   -3   4.7   2.6   5.0   9.8	117   45   Wart & Gold   112     120   52   26   8.0   7   310   123   4   4   6   6   10   10   10   10   10   10	93 8b Paterson Jeniu 185 d28 3.7 22 15.0 75 150 WPortinax Dev. 200	1534 <sub>2</sub> 63 (Fileto Wamp Hits: 149 -3 24 13 (Hymne (I. 6.1) 50 22 +1 6364 <sub>6</sub> 524 (I.C. todustries) 5336 <sub>6</sub> -1 73 59 (Ingall Inds: 10p 65
1067 <sub>2</sub> 964 <sub>6</sub> Do. 107-petition 36 100 10.58 11.00 104 965- Do. 11pt Urs.Lin. 38 102 10.83 12.50 1042 975- Do. 11pt Urs.Lin. 39 102 10.83 12.59 10.90 915- Do. 125-petition Lo. 1992 1085 12.83 11.70 915- 7442 Do. 74pt A Dec 28422 904- 44 9.19 11.00 81 709 Do. 74pt A Dec 28422 904- 44 9.19 11.00 11.0	346   287   Bass   318   +3   11.36   2.5   5.1   10.5   3.5   18   Bellusen Brevery   33   12.0   2.5   5.1   10.5   197   12.0   Bell Arthur 50p   254   +1   4.1   4.1   3.8   3.1   12.0   (2.147   0.49s to 9.740   13.8   3.1   12.20   (2.147   0.49s to 9.740   13.8   3.1   3.1   13.8   3.1   13.8   3.1   13.8   3.1   13.8   3.1   13.8   3.1   13.8   3.1   13.8   3.1   13.8   3.1   13.8   3.1   13.8	387 280 Currys 395 16.75 2.4 12 18.6 80 40 ftb Ret (Autr) 10. 43 25 1.6 8.510.2 157 90 Determents 152 +1 76.8 1.7 6.4 (III) 166 90-2 Determents 152 +1 76.8 1.7 6.4 (III)	ENGINEERING	52 200 Rowntree M. 50n 232 +10 18.8 24 5.4 9.9 220a 12 Safestary \$1.66-1, 1100a -1, 10\$1.50 - \$2 - 52 - 52 1 57 Safestary (J. 1. 475 +2 15.85 3.8 1.8 1.8 1.8 554 42 5 Incio 100 - 52 - 1, 100 17 2.6 1.7 11 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8 1.8	975 364   MOST
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11 Producer of whip in desert?
(9)
12 A nobleman spy (5)
13 Cinders could make arrangement for repeal (7)
15 Grenada island contains supporter at high table (4)
18 Fiddler giving short number about the queen (4)
20 Measure in structure removed outer covering (7)
23 Confused like some sailors (2, 3)

(2, 3)

24 He could be 23 to get net result (9) 26 When it's opened there'll be a rush (9) 27 Lady student of old kingdom

27 Laby student of the control of the control of the control—give out the notes? (4, 3, 4)

#### DOWN

1 Footballer on attempt for office (8)
2 S.R.N. based in "casualty"

leads to monotony (8)

3 First of monarchs said, bewilderingly, "I have rich touch" (5)

4 Of a certain race no longer

20 Mistrust cups set precariously (7)

4 Of a certain race no longer

21 The boss is an old man (6) 5 Supposed to be fictitious (7)

6 English case called up from the past (9) 7 Harass the animal (6)

8 Salt to make a speech below tip of bows (6) 14 Northern language to describe 24? (9) 16 Deceive the dandy (sort of light) (8)
17 Anteater, for example, is in garden gallery (8)
19 Could be removed by keeper?
It's not on! (3-4)

22 Car obtained from such an

25 In French, the girl to follow! Solution to Puzzle No. 5,324 

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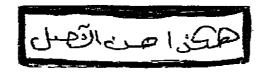
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URANCES

INSURANCE & OVERSEAS MANAGED FUNDS Financial Times Wednesday January 25 1984

## Maize surges on stocks surprise

BY NANCY DUNNE IN WASHINGTON

MAIZE and soyabean prices expected on the basis of the rose sharply yesterday on the production estimates. USDA Chicago Board of Trade in the estimates maize stocks at wake of a report by the U.S. Department of Agriculture cent from the previous year, (USDA) estimating much lower and soyabean stocks at 1.29bn

markets had closed, contradicted an 1983 production report released 10 days earlier which had joited the market by raising estimates for maize and

strenuous efforts to harvest every bushel. It raised its estaimate for harvested maize by more than 2 per cent from November to December to 4.2hn bushels, and raised the soyabean figure by 58m bushels.

4.93bn bushels, down 41 per stocks than had been anticipeted.

The latest grains report, released on Monday after the markets had closed, contra
bushels, down 28 per cent.

Board of Trade analysts pronounced the figures released on Monday after the markets had closed, contra-Several traders said they suspected USDA was compensating in the stock figures for mistakes made in the earlier

USDA accounted for that increase by saying higher prices to make strenuous efforts to make tion estimates, which ware much strenuous efforts to be accounted for that the biggest surprise in the increase by saying higher prices to be accounted for that the biggest surprise in the increase by saying higher prices to be accounted for that the biggest surprise in the increase by saying higher prices to be accounted for that the biggest surprise in the increase by saying higher prices to be accounted for that the biggest surprise in the increase by saying higher prices to be accounted for that the biggest surprise in the increase by saying higher prices to be accounted for that the biggest surprise in the increase by saying higher prices to be accounted for that the biggest surprise in the increase by saying higher prices to make the biggest surprise in the bigge production statistics.

One possible explanation for that could be the new dairy programme, which pay farmers for cutting milk production. cutting milk production. Farmers could be building their ean figure by 58m bushels. herds in order to get higher The latest figures, however, compensation from the Governshow that stocks are consider-ably lower than traders had their herd size.

## Concern over grain futures

several senators that price has, however, lost credibility movements in the futures marwith at least part of the kets have been unduly affected organised farm lobby, according by professional and computer to the U.S. Wheat Associates week to collect testimonies from the Chicago Board of Trade, the

with Chase Econometrics, told stocks and strong prices."
them that current futures A farmer who testified on fundamental economic factors. Answering questions about lower than expected prices for

PRICE CHANGES

Copper Cush h Grade. £963.75 -3.75 £979.75 3 mths £988.25 -4.5 £1004.75 Cash Cathode £957.5 -0.25 £954.75 3 mths £975.5 -5 £984.75 Gold troy oz. \$866.125 -6.25 \$850.125 Lead Cash £273.5 -2 £279.75 3 mths £282.75 -£255£288.125 Nickel £4945 £4945 £4945 £4945 £4945 £4945

LONDON OIL

SPOT PRICES

CRUDE OIL-FOB (\$ per barrel)

PRODUCTS—North West Europe CIF (5 per tonne

**GOLD MARKETS** 

Gold fell \$61 to \$3641-3651 on the London bullion market

yesterday. The metal opened at yesterday. The metal opened at \$3651-3661, and was fixed at \$365.20 in the morning, and \$365.10 in the afternoon. It touched a peak at the opening, and fell to a low of \$3631-3641.

A limit-down close in New York lad a an opening about \$3.00 lower. The

sharply on the re-opening as Naw York moved lower. Towards the close prices moved to the highs before meeting some prolit-toking, reports Promier

...... \$70,74 --6.5 £803.5 --4.25 £617.25

+0,05

that have resulted in today's mists. cerns and expectations focused
Mr Allen Shiau, an economist on short supplies, tight ending

#### Tea prices in India reported to be falling

PRICES of various CTC (cut, tear and curl) tea have fallen by 4 rupees to 6 rupees a kilo in the past few weeks at Sili-guri and other Indian auction centres, a government statement said.

It did not give current prices of CTC tea, but said the oan on its exports had helped to lower domestic prices. India banned exports of CTC types on December 24 to increase domestic supplies and stop prices rising.

Since the ban, about 30m kilos of CTC tea have been made available in the domestic market and the rising price trend has been reversed, the statement said.

The Commerce Ministry caid last week it was not considering lifting the export ban on CTC tea and the Indian Tea Board chairman, Mr Jagdish Khattar, said the ban was not likely to be reviewed until April. PAKISTAN produced 3.47m tonnes of rice during the 1983-

1984 season, up from the pre-vious season's 3.3m tonnes but below its target of 3.5m tonnes, the official APP news agency reported. The shortfall was attributed to damage to the crop in Sind province due to monsoon rains and a pest attack. O Copra production throughout the world is likely to fall to 4.09m tonnes in the current 1983-84 sesson, the lowest for 10 years, from a provisional 4.62m last season and 4.84m in 1981-82. Oil World, the Hamburg-based newsletter said. The fall is partly the result of last season's severe drought in

the Philippines.

CHINA'S Hainan Island

## Palm oil production expected to peak in 1992 Norway set

Exchange, said tight supplies of

times used the danger of

spreading swine fever and foot-

for their actions.

and-mouth disease as a pretext

The EEC Commission may

seek further controls on animal

movements and a possible ex-tension of the boundaries of

Germany, Belgium and Italy.

If the committee fails to

reach a majority agreement, national measures will continue

350,000 in 1983/84, the Ivory

Coast's at 503,000 (350,000) and

Malaysia's at 178,000 (81,300).

The ICCO expects world con-sumption of cocoa to fall behind

production again in 1985/86 and

to stay there through the rest of the period covered by the projections. Latest trade esti-

mates put consumption some 100.000 tonnes ahead of produc-

BY WONG SULONG IN KUALA LUMPUR

MALAYSIAN palm oil produc- planting, replanting, and yields, less than 220,000 hectares. tion is expected to peak at production was expected to 5.7m tonnes in 1992 and then rise from 3.5m tonnes in 1982 fall steadily to 5.2m tonnes by to 4.2m tonnes in 1985 and 5.6m Kusla Lumpur Commodity the year 2000, an international tonnes in 1990, he said. conference on palm oil in Kuala
Lumpur was told yesterday.

Chow Chee Sing of the Maland 1983, but should slow down soaring prices, would continue

aysian Palm Oil Research In- to 8.2 per cent a year between for some time. The situation stitute told the conference that 1983 and 1990. could not be overcome, for Based on estimates of new the area was estimated to be

**Dutch seek EEC pact on meat exports** 

opportunistic and aimed at pro-tecting France's domestic live-

stock industry from cheaper

Pressure on the French Gov-ernment to take action over

cheap pork imports has been mounting daily in France fol-

lowing a collapse in pigmeat prices to 75 per cent of the

Farmers have been involved

Community's target price.

could not be overcome, for the decline in the later 1990s By 2000, Peninsula Malaysia's neighbouring producers were was expected because of the palm oil should cover 1.51m unable to move supplies to lower rate of new planting.

hectares. In Sabah and Sarawak, Malaysia in the short-term Malaysia in the short-term because of marketing and

shipping problems. Mr Syed Abdul Jabar Shahabudin, chief executive of the

Overseas trader participation in KLCE palm oil futures market had steadily risen and was now 10 per cent of total contracts traded in the exchange, he said.

The Malaysian palm futures market closed higher on short covering yesterday with nearby March up by the 100 ringgit limit at 1,900 ringgit

#### Malaysia acts to toughen tin

smuggling laws

By Wong Sulong

MALAYSIA has announced tougher regulations to prevent tin smuggling. Datuk Paul Leong, the Minister of Primary Industries, said the present law allowed enforcedesignated infected areas in the Netherlands and of regions hit by swine fever in West ment officers to checq tin in transit but not at storage points.

The new regulations make the possession, custody and control of tin without a valid permit an offence, and give wide powers of search to enforcement officers.

oncers.

The penalty for illegal movement of tin will be increased from a fine of 500 ringgit to 50,000 ringgit (£15,000), and the jail term increased from six months to two years. Datuk Leong said Indonesia had effectively curbed tin

smuggling and smuggling was on the decline in Malaysia. The main problem lay with Thailand, where an estimated 900 "suction" boats were oper-

ating illegally around Phukel island. That enforcement was stretched in curbing this activity.
The International Tin Council

has estimated that about 16,000 tonnes of tin were smuggled out from South East Asia last year in contravention of export control, with the bulk coming from

## to demand reopening of cod talks

By Ive Devices

NORWAY looks set to demand the early reopening of talks on cod and other white fish quates for 1984 as its price for a new negotiation with the European nationion on the share-out of herring stocks.

The refusal of EEC member states, in particular the UK, Denmark and the Netherlands, to accept a 15,000-tonno herring quota for Norway has prevented the reopening of herring fishing in the North Sea. in the North Sea.

Although the Commission had agreed the deal with the Norwegians it was told by fisheries ministers to return to new talks aimed at reducing Norway's share.

The British claimed that The British chained that 15,000 tonnes, representing 10 per cent of the provisional 150,000 tonne total allowable catch (TAC) for community fishermen, was far in excess of Norway's traditional TAC.

It was also feared that in giving the Norwegians a favour-able deal, the EEC would have little bargaining power in the annual early summer review of quotas for cod and other white

Under the current 1984 agreement the Community will take 198,000 tonnes of cod, leaving 17,000 tonnes for the Norwegians. However, some of Norway's quota is usually traded with the EEC for other species.

By offering early talks on these species, the Norwegians are drawing a clear link between the two negotiations, while still appearing concilia-

There is no doubt, however, that the Norwegians will continue to resist any attempts by the Commission to make a radical downward revision of their original herring offer.

BY IVO DAWNAY IN BRUSSELS

EMERGENCY measures taken rights in the absence of Comin the Netherlands to contain munity instructions, but Dutch the country's outbreak of footand-mouth disease were pre-sented to the EEC's veterinary committee yesterday in an attempt to harmonise member states' responses.

The threat of total bans on

imports of meat products from the Netherlands is spreading and the Dutch are therefore thought to be particularly anxious for a uniform strategy. On Friday the French Government announced a ban on all Dutch pork, goat, sheep and in a series of incidents includ- for a fortnight to allow the beef consignments regardless of ing the burning of lorries and council of Agriculture Mintheir area of origin.

The move is within France's border posts. They have some-

secretariat of the International

Large increase in cocoa output forecast WORLD COCOA production will cent of total supplies, sees the at 528,000 tonnes, up from increase by more than a third annual growth rate slowing by the end of this decade, the from 10.5 per cent in 1984/85

Cocoa Organisation (ICCO) Most of the increase is forecast in a study published expected to come from Brazil. this week
It puts 1989/90 production in the Ivory Coast and Malaysia. with Brazil overtaking the Ivory excess of 2m tonnes compared Coast to become the world's biggest producer by 1985/86 and with slightly less than 1.5m in Malaysia stepping up into third place by 1988/89.

to 2.8 per cent in 1989/90.

Brazil's 1989/90 output is put tion in the current crop year.

retracement of £10-25 as trade selling

#### SOYABEAN MEAL

created a sharp decline. Further losses were registered during a more active afternoon as continued trade pressure triggered dealer liquidation and step-lose selling. The market opened himk-up bid (£5)

COFFEE Yest-day's + or Business
Close - Done January ... 2075-80 -32.5 2123-80 March ... 2096-97 -23.0 2135-86 May ... 1967-70 -20.5 2001-65 July 1915-18 -5.0 1927-10 Sept ... 1871-83 -7.0 1885-65 Nov. ... 1841-43 -5.5 1850-41 January ... 1810-15 -5.0 1818-13 Per tonne
Feb. ... 161.00 61.80 + 5.15 182.08-57.00
April ... 169.00 68.40 + 7.40 170.08 8.00
June ... 169.30 68.40 + 7.20 189.30 67.80
August ... 168.50 78.00 - 6.50 189.40-57.80
October ... 168.50 78.00 42.75
Dec. ... 168.60 88.08 42.35 Sales: 6.871 (5.270) lots of 5 tonnes-1CO indicator prices (U.S. cents per-pound). for Jan 23: Comp daily 1979 -141.13 (140.13); 15-day average 137.51 (137.36).

Sales: 221 (102) lots of 100 tonnes

Sales: No. 4 3.555 (2.530); No. 6 1.490 (1.013) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £238.50 (£246.50) a tonne for export.

International Sugar Agreement — (U.S. cents per pound totb and stowed Canbbean ports.) Prices for Jan 23: Daily price 7.30 (7.26): 15-day average 6.97 (same).

INDICES

REUTERS

MOODY'S

DOW JONES

#### **POTATOES**

The opening was easier in line with lower Dutch prices, but strong support around £200-201 besis April kept prices from falling far. Afternoon trade found renewed confidence with the Dutch market recovering, and prices closed steady, at or near the highs, reports Coley and Harper.

Feb....; 159-00 150,00 April... 206,50 203,50 May....; 218,30 815,00 Mov.... 76,80 76,50 Feb.... 86,30 88,00 Sales: 635 (1,063) lots of 40 tonnes.

RUBBER

The London physical market opened steadier, attracted little interest at the higher levels and closed quiet and slightly easier, reports Lewis and Paet. The Kuala Lumpur February lob price for RSS No. 1 wes 268.0 (267.5) a kg and SMR 20 228.0 (227.0).

No. 1 Yesterdy's Previous Business R.S.S. close close Done E per tonna Feb....... 890-900 .880-900 Moh . .885-890 .906-907. Apl-Jne. 907-906 .906-907. Jly-Sept 915-917 .916-917. Oct-Dec 988-932 .926-928. Jan.Moh 938-942 .936-938. Apl-Jne. 935-936 .946-950. Jly-Sept 965-968 961-962 Oct-Dec 977-990 974-980

COTTON

not buying extensive quantities for the HIDES—Birmingham (Manchester). Second clears. On: 31-35.5kg, 99.9p a kg (101.3); 28-30.5 kg, 105.7p a kg withdrawn (112.1p); 22-25.5kg, 123.5p a kg (125.0p). Cow: 25.5kg, 122.4p a kg (125.1p withdrawn).

MEAT COMMISSION—Average (at-stock prices at representative markets. GB—Cattle 97.04p per kg lw (+1.19). GB—Sheep 170.36p per kg est dow (+17.12). GB—Pigs 78.46p per kg lw (+4.61).

## AMERICAN MARKETS =

NEW YORK. January 24
Soyobaans and maize closed limit rup following an exceptionally and unsupertedly bullish stock report, reports Hannold Commodities. Wheat was up through selling with inapative news on marginally reflecting a neutral stock report. Most of the atrongth was on professional and commission house short-covering. Copper prices were irractionally lower with arbiting as forces dropped sharply on trude and dealer selling as force of any professionally lower with arbiting did dockworkers atrice about also lower on heavy arbitrage selling as well as on liquidation related to the uncertainty concerning the trength ship of the economy. Heating oil prices were under early speculative pressure and concerns over orderly liquidation of the industry speculative and concerns over orderly liquidation of the following a support and concerns over orderly liquidation of the following a speculative about the uncertainty concerning the trength ship for reason of the industry speculative prices dropped sharply on trude and dealer selling as fours of any profess declined as well as on liquidation related to the uncertainty concerning the trength of the concerning the prices of the professional and concerns over orderly liquidation of the Fobruary contract.

## NEW STORK STORES TANKE . S. ORANGE BIRE 15,000 ib. conte/ib ALUMINIUM 40,000 lb, cents/85 | Close | High | Low | Prev | May | 76.00 | 76.46 | 76.76 | 76.85 | July | 77.30 | Sept | 77.30 | 78.20 | — 79.10 | Jen | 79.55 | — 80.45 | March PLATINUM 50 troy oz, 5/troy oz High 2670 2645 2620 2610 2565 " C " 37,000 lb. cents/lbs Close March 7.28 May 7.82 July 7.89 Sept 8.35 Oct 8.35 Jan 9.30 March 9.40 May 9.65 CHICAGO Close 143.96 137.93 134.88 133.10 730.33 128.50 126.88 LIVE CATTLE 40 000 Ib. cents/lb

63.70 63.70 LIVE HOGS 30,000 lb, cents/lb Close 52.20 49.05 54.40 55.45 54.77 55,45 55,60 54,77 54,85 52,05 52,15 53,80 51,80 53,00 51,50 51,25 61,25

Prev 61.50 61.65 62.20 63.50 64.80 66.15 68.20 88.90 70.25 71.60 89.85 COTTON 50.000 lb, cents/lb FINANCIAL TIMES Jan: 23 Jan. 20 M th ago Y'ar ago 295.71 , 294.46, \_\_\_\_\_ 249.27 (Base: July 1 1952=100) CRUDE Off. (LIGHT) gallons, \$/barrels Close 334.4 362.2 364.4 311.4 294.0 304.0 310.2 High 334.4 336.2 336.4 311.4 296.4 308.4 Jan. 24 Jan. 25 M'th ago Y'ar ago High 29.69 29.44 29.75 29.75 29.75 29.20 29.20 1995,8 1998,9 — 1643,5 (Base: September 18 1931 = 190) 29,00 29,00 29,00 29,05 29,23 29,20 29,20 28,20 Jan. 23 Jan. 20 M th ago Year ago 29 15 29 05 29 23 29 20 29 20 29 20 PORK BELLIES 38,000 lb, canta/fb 1055.2 1051,1 1060,6 1040 Feb 67.10 67.50 March 67.72 66.10 May 69.32 69.50 July 69.70 70.00 August 88.10 68.35 (Base: December 31 1931-100) Dow Jan. Jan. Month Year Jones 23 20 ago ago 246.3 366.3 369.2 279.1 379.1 379.5 404.4 411.5 418.6 434.5 SOYABEANS 5,000 bu min, Haph 760.6 775.4 762.6 787.4 767.4 723.4 745.0 768.0 771.0 417.3 434.0 HEATING OIL 42.000 U.S. gallone, 110A 203.4 5.3 207.9 206.5 204.0 196.0 197.0 PK 36 RR 17 TA 00 TA 60 TA 60 TA 96 TA 96 TA 96 196.5 197.5 78.50 SOYABEAN OIL 60.000 Ib. conta/Ib 5.000 troy oz. cents/troy ox Closs 28 65 29 02 29 10 28 95 27 40 27 26 27 15 Cinae High 807,0 808,5 815 0 816 0 828 7 828 0 842 5 846 0 858 5 846 0 858 5 846 0 High 28.56 29.02 29.10 28.86 29.52 27.60 27.41 PTPU PAG N P

SPOT paices—Chicago long lard 30.00 (27.00) cents per sound. Now York tin 586.0-70.0 (585.0-76.0) cents per pound.

#### low levels were not generally Commodity Futures Trading Commission and other econoanticipated prior to or during last fall's harvest, when con-

related trading sent a congres- in its latest newsletter.
sional committee to Chicago this "Certainly the price trends

Monday for the Iowa Soyabean Association, Mr Merlyn Groot, said there had been a growing concern in the farm community

maize and soyabean, he said actual farm prices were being the U.S. dollar, large anticipated the U.S. dollar, large anticipated wheat stocks.

The Chicago Board of Trade

concern in the farm community about soyabean price fluctuations, which could not be explained by fundamental plans nearly to double its dry rubber output by the end of factors. They seemed to occur, he said, in conjunction with positions taken by a few large trading concerns.

Seeds Copra Phil...... \$725y ..... \$670 Soyabean(U.S.) \$311,60 ....... \$326

Walze £147,00 ...... £148,00 Wheat Fut May £122,60 +1.85 £122,50 No 2 Hard Wint;

CRUDE OIL FUTURES

S U.S.

GAS OIL FUTURES

In Zurich gold finished

Month Yest'day's + or Business

Turnovor: 744 (263) lots of 100 troy

**LONDON FUTURES** 

rer: 6 (8) lois of 1.000 barrels.

## The projection, based on detailed analysis of producing countries accounting for 82 per

BASE METALS Spot ...... 3330-40 +5 3325-35 +20 4 months 3415-20 +5 3410-5 +.5 \* Cents per pound. # MS per kilo. † On the previous unofficial close.

1983/84.

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £959, 59.50, 50. three months £985, 84, 83.50, 84, 83, 84. Cathodes: Cash £953, 56, 55.50, three months £970. Kerb: Higher Grade: Three months £984, 84.50, 85, Afternoon: Higher Grade: Three months £986.50, 87, 87.50, 88, 88.30, 88, 87.50, 88, 88.30, 88, 87.50, 88. Standard: Cathodes: Cash £958. Kerb: Higher Grade: Three months £988.50, 89, 90, 89.50. Turnover: 20,800 tonnes.

COPPER Official - Unofficial -t ligh Grde £ £ £ £ -0.17 28.54 -0.54 --0.62 28.78-28.76 -0.46 --0.85 -

Tix—Morning. Standard: Cesh £8,640, three months £8,770, 75, 80, 85, 81, 80, 81, 85. High Grade: Three months £8,810, 15. Kerb: Standard: Three months £8,785, Afternoon: Standard: Three months £8,785, 8,800, 10, 15, 12, 11. Kerb: Standard: Three months £8,795, 90. Turmover: 1,115 tonnes. 

Gash... 686-7 -12.5 687.5-8.5 -8.5 3 months 681.5-2 -9.25 684.5 -4.25 Settlem't 687 -13 -- 13 -- 49-51

ALUMINIUM

Silver was fixed 17.75p an ounce lower for apot delivery in the London bullion market yesterdey at 569.8p.
U.S. cent equivalents of the fixing levels were: spot 797.7c, down 28.1c4 three-month 877.0c, down 28.5c; sixmenth 881.7c, down 28.7c; and 12-month 881.7c. d

Three months 584.35p (601.5p). Turnover 0 (1).
Turnover: 83 (71) lots of 10.000 czs.
Morning: Lerge three months 584.5, 84,
84.4. Karb: untraded. Attermoon: large
three months 584.0, 86.0, 87.0, 88.0,
88.5, 86.0, Kerb: large 536.5, 86.0.

May... . 1885-00 '-9.5 1940 Sales: 10,370 (13,128) lots of 10

saise: 40,70 (13,128) lots of 10 tonnes.
(CCO Indicator prices (U.S. cants per pound). Daily prices for Jan 24; 122.09 (122.70); five-day average for Jan 25; 119.03 (117.34). COFFEE In light valume March posted a new contract high, reports Drexel Surnham Lambert. However, the failure to suptain the certy raily resulted in a

HIDES

هكذا صن النَّصِل

AND WHEN

-62 C 2 H 13 E

In Paris the 12½ kilo gold bar was fixed at FFr 101,400 per kilo (\$364.88 per ounce) in the afternoon, compared with FFr 101,200 (\$364.22) in the morning, and FFr 103,150 (\$372.41) Monday In Frankfurt the 12½ kilo bar was fixed at DM 33,290 per kilo

(\$366.25 per ounce) against DM 33,730 (\$372.51), and closed at \$365-3651 compared with Jan. 34 Gold Builton (fine ounce)

\$36434-86539 (£26039-261) \$36539-3664 (£26039-261) Krugrnd i\$877-57712 1.2 Krug. ;\$194-19454 (...)
14 Krug. ;\$194-19454 (...)
15 Krug. ;\$4914 (...)
15 Mapleleaf :\$37654 -\$774 (...)
16 New Sov. ;\$5112 52 #26914-26919) | King Sov \$90.9112 (£6414-6514) | (£13812-139) | Victoria Sov \$90.9113 (£6414-6514) | (£7034-7114) | French 90s \$7212-7414 (£5114-6514) | (£264-2914) | 50 Pecos Mex#45112-45514-6322-3254 | (£6514-62) | (£6514-62) | (£6514-62) | (£6514-62) | (£6514-62) | (£6514-62) | (£6514-62) | (£6514-62) | (£6514-62) | (£6514-62) | (£6514-62) | (£6514-62) | (£6514-62) | (£6514-62) | (£6514-62) | (£6514-62) | (£6514-62) | (£6514-62) | (£6514-62) | (£6514-62) | (£6514-62) | (£6514-62) | (£6514-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514) | (£6414-6514

EUROPEAN MARKETS

Whest—(U.S. S er tonne): U.S. two red winter Feb 160. Mar 161. April 162. U.S. two northern spring 14 per cent protein Feb 194. Mar 194. April May 180. June 180. July 180. U.S. three amber durum Feb 208. Mor 210. April May 193. June 193. July 194. Aug 191. Sop: 186. Canadian western spring April/May 208. June 208. Maizo—(U.S. S per tonne): U.S. three yellow affoat cif Antwerp 156. Jan 157.50. Feb 157. Mar 154. April June 153. July/Sept 152. Oct/Dec 141 sellers. Argentine Piste Feb 169, Mar 164. April 157. April/June 153. July/Sept 152. Oct/Dec 141 sellers. Argentine Piste Feb 169, Mar 164. April 157. April/June 156 sellers. Soyabeans—(U.S. S per tonne): U.S. two yellow guifnorts Feb 205.0. Mar 305.20. April 307. Oct 289.95, Nov

289.55, Dec 294. Jan 298 sellers.
Soyameal—(U.S. 5 par tonne):
44 par cent alloat 233/235, Jan 235/
236, Feb 235 to 238/236/235, Feb/tear
235 to 238, Mar 236/237, April/Sepi
238/Z39/240/239, Nov/Mar 235/234/233
traded Pelletts Brazil afloat 257.50, Feb
258, Mar 255, April 249, AprilSept 248,
Oct/Dec 253 sellers, Pelletts Argentines
afloat 245, Jan 251, Feb 251, May/Sept
242, July/Sept 247 sellers.
PARIS, Jen 24.
Cocoa—(FFr per 100kg): Mar 2433/
2438, May 2449/2450, July 2450 bd,
Sept 2440/2460, Dec 2400 bid, Mar
2410 bid, May 2420 bid.
Sugas—(FFr per tonne): Mar 1828/
1829, May 1890/1895, Aug 1990/1995,
Oct 2050/2065, Dec 2135/2180, Mar
2251/2270.

BRITISH COMMODITY PRICES :

Base-metal prices were unsettled by the weakness of bullion. COPPER fell to 1983 but subsequently railled to close the lete Kerb at 1989.75, white close the late Kerb at £989.75, while the recent squeeze in ZINC eased with the backwardation narrowing to around £3; forward ZINC closed the efternoon Kerb at £683.5. LEAD was little changed at £283.5 while forward standard TIN was finally quoted at £8,790 owing to renewed support buying by the buffer stock manager.

‡ Unquoted. w Feb. z March. x May. v Feb-March. y Jan-Feb. † Per 75-lb flask. \* Ghana cocos. n Nommel. c Cent 959,5-60 -7.25 965,6-4 -3,75 8 984-,5 -7.5 988,5 -4,5 960 -7.5 —

In Luxembourg the 12½ kilo bar was fixed at the equivalent of \$354.75 per ounce, against

Lead~-Morning: Cosh £274, three stonths £284, 83.50, 83. Kerb: Three months £282.50. Afternoon: Three months £283, 82.50, 82.75, 82.50, 83, 82.50. Kerb: Three months £283, 83.50. Turnove: 4.550 tonnes. LEAD Official - Unofficial -t 

ZINÇ

Zinc—Morning: Three months £683.50, 83. 82. 81, 83. 82. 81.50, 81. 81.50, 82. Korb: Three months £682, 81, 80.50. 80. Afternoon: Three months £681, 80, 80.50, 81, 80, 84, 85. Kerb: Three months £683, 84, 84.50, 84, 83. Tumover: 11.250 tonnes.

Aluminum—Morning: Three months £1,128, 27,50. Kerb: Three months £1,127, 27,50. Afternoon: Three months £1,128,50, 28, Kerb: Three months £1,128,50, 29, 29,50, 29, 28,50. Turnover: 14,250 toonex.

NICKEL

Nickel — Morning: Three months (3.425, 20, 25, Kerb: Three months (3.420, 15, Afternoon: Three months (3.420, 25, 20, 15, Kerb: Three months (3.420, 25, 20, 27, 25, Turnover:

MEEKLY All prices as supplied by Metal Bulletin.
ANTIMONY: European free market,
99.6 per cent, \$ per tonne, in ware-

nouse 2.600-2.640.

BISMUTH: European free market, min 99.99 per cent, 5 per pound, tonne lots in warehouse 174-180.

CADMIUM: European free market, min 99.95 per cent, 5 per pound, in warehouse, ingots 0.84-0.88, sticks 0.85-0.89.

COBALT: European free market, 99.5 per cent, 5 per pound, in warehouse, ingots 0.84-0.88, sticks 0.85-0.89.

COBALT: European free market, 99.5 per cent, 5 per pound, in warehouse, ingots 0.84-0.88, sticks 0.85-0.89.

MERCURY: Furnage free market, min 99.95 per cent, 5 per pound, in warehouse, ingots 0.84-0.88, sticks 0.85-0.89.

MERCURY: Furnage free market, min 99.95 per cent, 5 per pound, in warehouse, ingots 0.84-0.88, sticks 0.85-0.89.

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MERCURY: Furnage free market, min 99.95 per cent, 5 per pound, in warehouse, ingots 0.84-0.88, sticks 0.85-0.89.

house 6.80-6.90.

MERCURY: European free market, min 99.99 per cent, \$ per flask, in warehouse 301-311.

MOLYBDENUM: European free market, min 99.5 per cent, \$ per pound Mo, in warehouse 3.75-3.80.

SELENIUM: European free market, min 99.5 per cent, \$ per pound, in warehouse 4.10-4.75.

TUNGSTEN ORE: European free market, min 99.5 per cent, \$ per cent, \$ per tonne unit WO, cit 73-77.

VANADIUM: European free market, min 99.5 per cent, \$ per cent, \$ per pound V.O. cit 22-0-2.25.

Producer list price for selected metals as recorded in Metal Bulletin ALUMINIUM: World: virgin ingots Alcan. min 99.5 per cent, \$ per tonne. cit Hong Kong and Rotterdam 1.750.

BISMUTH: UK: MCP-Peks, 99.99 per cent, \$ per pound, tonne lots, exwershouse 2.30.

COBALT: World, Zaire: Sozacom. \$ per pound 12.50.

NICKEL: World, Inco, melting grade, \$ per pound 12.50.

NICKEL: World, Inco, melting grade, \$ per pound U.O. 22.00.

VANADIUM: Nuexco exchange value, \$ per cent V.O., \$ per pound V.O., cif 23.00.

ZINC: GOB producer basis, \$ per pound 100.

ZINC: GOB producer basis, \$ per pound 100.

Pound 100.

March 199.5 + or Yest rid ys + or close — close —

2.30. 2.INC: GOS producer basis, \$ per

SILVER

After initially trading more than £50 above the previous close, futures failed to hold these levels and weakened sharply late in the day to close just off the lows. Although there was light producer selling at the highs, physicals generally failed to appeal, reports Gill and Duffus.

Sales: 155 (213) lots of 15 tonnes: 3 (nil) lots of 5 tonnes. Physical closing prices (buyers) spot 88.00p (87.50p): Feb 88.75p (88.50p); March 89.00p (aprile).

amounted to 16 tonnes. Activity was on a restrained scale and operations were only tentative. A scrappy demand came forward in cortain African styles while Middle Eastern speciality types were in madest request. Usors were not having acceptance.

Spot 136,30,156,57 140,29 141:23 Fut's ;138,14:138,35,148,63 148,61 (Buse: September 18 1931=100) **WOOL FUTURES** 

LONDON NEW ZEALAND CROSS-BREDS—Closo (in order: buyer, seller. business). New Zealand conts per kg. Jan 415 seller only, 410; Mar 427, 429, 429, 428; May 445, 450, 448-446; Aug 484, 470, 489-483; Oct 465, 470, 472-455; Dec 468, 472, 473-457; Mar 474, 480, 480-475; May 480, 480-481; Sales: 188. SYDNIEY GREASY WOOL—Closo (in order: buyer seller, business). Australian cents per kg. March 578.0, 578.5, 578.0-578.0; May 596.0, 597.0, 597.0-598.0: July 607.0, 608.0, 608.0-607.0; Oct 590.0, 590.0, untraded: Duc 600.0, 601.0, 601.0-600.0; March 613.5, 615.0; May 520.0, 622.0, untraded; July 632.5, 635.0, 634.0. Sales: 44.

MEAT/FISH

SMITHFIELD—Pence per pound. Beef
— Scotch killed sides 78.0 to 85.0;
Ulster bindquarters 92.0 to 97.0. Lamb
— English small 70.0 to 72.0, madium 66.0 to 74.0, heavy 64.0 to 71.0;
imported: New Zeeland Pt. 58.0 to 69.5,
PX 56.3 to 57.3. Pork—English under 100 lbs 44.0 to 54.5, 100-120 lt., 47.0 to 53.0, 120-160 lbs 49.0 to 50.0.

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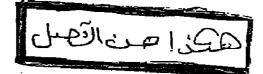
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**FARMING NEWS** 

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#### CURRENCIES, MONEY and CAPITAL MARKETS

100 ven from DM 1.2050. Sterlin:

FOREIGN EXCHANGES \*

Yorn ay &

## Dollar improves in thin trading

The dollar improved in 1.6245 to 1.3955. December the dollar in 1983-84 is 2.8425 currency markets yesterday in average 1.4344. Trade weighted to 2.3320. December average appeared to lack any clear direction with the U.S. Consumer compared with 82.0 on Monday ago. appeared to lack any clear direction with the U.S. Consumer Price Index for December in line with expectations. A rise of 0.3 per cent was further indication that U.S. Inflation is under control for the time being and this dispelled some of the current uncertainty. Further economic statistics due for release this week are likely to assume greater importance as the markets tries to ascertain future trends in interest rates.

There appears to be little likelihood of a change in the Federal authorities' current stance on interest rates, however, in view of the large U.S. budget deficit and the approach of the U.S. Presidential election.

ch of the U.S. Preside: relection.
The dollar rose to DM 2,8210 The dollar rose to DM 2,8210 from DM 2,8105 against the D-mark, having touched a high of DM 2,8325. Against the Swiss franc it closed at SwFr 2,2440 from SwFr 2,2350 and Y,234,25 from Y,233,80 in terms of the yen. It was also higher against the French franc at FFr 8,6250 from FFr 8,5925. On Bank of England figures, the dollar's trade weighted index rose to 132,0 from figures, the dollar's trade weighted index rose to 132.0 from STERLING — Trading range against the dollar in 1983-84 is

THE POUND SPOT AND FORWARD

EMS EUROPEAN CURRENCY UNIT RATES

es ere for ECU, therefore

100 yen from DM 1.2050. Sterling fell to DM 3.9590 from DM 3.9610; the Dutch guilder to DM 88.90 per 100 guilders from DM 88.92; and the Swiss franc to DM 1.2585 from DM 1.2581.

JAPANESE YEN — Trading range against the dollar in 1983-84 is 246.90 to 226.80. December average 234.40. Trade-weighted index 157.5 against 147.7 six months ago.

index 157.5 against 147.7 six months ago.

The yen showed little movement against the dollar in very dull Tokyo trading. The U.S. currency closed at Y234.02, compared with Y233.97 previously, after opening at Y234.05. It moved within a narrow range of Y233.90 to Y234.10, and traders commented that the dollar seems unlikely to move far away from commenced that the dollar seems unlikely to move far away from the Y234 level this week. Expectations that U.S. interest rates will stay firm to fund the very large budget deficit continue to support the dollar, but the yen age likely to be in demand. is also likely to be in demand because of capital inflows to Japan to buy overseas bond offer-

ings. The D-mark was slightly weaker against the yen, falling to Y82.94 from Y83.04. £ in New York (latest)

THE DOLLAR SPOT AND FORWARD 0.03-0.08c dia 0.23-0.20c pm 0.01c pm-0.01 dis 1.07-0.97c pm 5-7c dis 1.40-1.90cre dis 0.93-0.94pf pm 100-225c dia

1.3960-1.4040 1.7420-1.7480 4.44-4.46°, 80.55-80.90 14.31-14.36 1.4005-1.4015 0.03-0.08c dis 1.7465-1.7475 0.05-0.15c dis 4.442-4.452 12-1c pm 80.70-80.80 5-15c dis υKt -0.47 0.15-0.20dis -0.89 0.71-0.27dis 3.37 37-34 pm -1.49 38-48 dis -2.77 84-74 dis -2.87 0.75-0.8dis -2.87 0.75-0.8dis -10.32 500-555 dis -7.98 447-467-dis -3.48 114-12-dis -3.48 114-12-dis -1.53 47-54 dis jium 57.83-57.75 57.63-57.65 5-7c dk
mark 10.22\( 10.22\) 10.22\( 10.22\) 10.22\( 10.22\) 10.22\( 10.22\) 10.22\( 10.22\) 10.22\( 10.22\) 10.22\( 10.22\) 10.023\( 10.22\) 10.02 14.37-14.38 1.2750-1.2820 3.94-2.97 189.25-191.50 223.09.224.25 2.397-2.408 11.02-11.07 12.07-12.12<sup>1</sup>/<sub>2</sub> 11.42-11.49 327-330 3.55-3.96 190.80-191.00 223.80-224.00 2,404-2,406 11.05<sup>1</sup>2-11.06<sup>1</sup>2 12.07<sup>1</sup>2-12.08<sup>1</sup>2 11.47-11.48 238-329 **CURRENCY RATES** 

Six-month forward dollar 0.30-0.35c dis, 12-month 0.70-0.80c dis OTHER CURRENCIES

FXCHANGE CROSS RATES

0.570684 0.798673 0.996264 15.9096 46.0654 8.18040 2.25745 2.53938 6.90213 1371.72 187.089 6.30873 127.548 6.53075 1.79406

U.S. Dollar Jan, 24 Demache mis Manageseyen FrenchFranc Swiss Franc | Dutch Guild | Italian Lira Canada Dollar Belgian Franch 0.795 9.574 1.125 16,55 608,1 7321, 0,442 5,318 18.04 French Franc 10 Swiss Franc 1. 1.850 2,254 4,898 5,915 14,96

EURO-CURRENCY INTEREST RATES (Market closing rates) Swise Franc Yen D-mark 66-56 124-125 61-54 115-125 61-64 115-125 66-66 11-115 66-66 11-115 66-66 11-115 66-66 11-115 91g-91g 91g 91g 91g-91g 91g-91g 91g-91g 91g-91g 91g-10 91g-10 101g-11 101g-105g 101g-111g 101g-105g 111g-12 101g-111g 115g-121g 111g-112g 111g-12 111g-112g 53, 578 53, 578 51, 548 6-618 616-618 512-588 512-568 516 516 516 516 578-6 676-576 638-518 12-124 12-124 1216-126 134-134 1512-144 1412-1434 Short term.......... 7 days' notice....

Asien \$ (closing rates in Singapore): Short-term \$^1.9^1. per cent; seven days \$^1.9^1. per cent; one month \$^1.9^1. per cent; three months \$^1.4.9^1. per cent; months \$^1.4.9^1. per cent; one year 10^1.10^1. per cent. Long-term Eurodollars two years 11-11\1, per cent; three years 11\11\1, per cent; four years 11\11\1, per cent; four

#### MONEY MARKETS =

## UK rates slightly firmer

Interest rates rose slightly in London yesterday in rather featureless trading. Period rates may have been marked up partly in reaction to sterling's weaker trend against the dollar. Three-month interbank money was compared with 91-91 per cent compared with 91-91 per cent morning help and further assist more significant of £10 m. This comparised purchases of £20 m of eligible bank bills in band 1 at 94 per cent money market through two-day in band 2 £2m of local authorities added reserves to the bills in band 2 £2m of local authorities added reserves to the London yesterday in rather featureless trading. Period rates featureless trading. Period rates may have been marked up partly in reaction to sterling's weaker trend against the dollar. Three-month interbank money was quoted at 9½-9½ per cent compared with 9½-9½ per cent while three-month eligible bank bills were sold at 8½ per cent, unchanged from Monday.

Overright interbank money traded up to a high of 9½ per cent, but eased later in the day to finish around 7½ per cent.

The Bank of England forecast a shortage of around £400m a shortage of around £400m with factors affecting the market

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

including maturing assistance and a take up of Treasury bills together draining £292m and Exchequer transactions a further £140m. In addition banks brought forward balances £42m brought forward balances £42m below target. These were partly offset by a fall in the note circulation of £68m.

The bank revised the shortage to around £500m and gave assistance in the morning of £275m. This comprised purchases of £1m of eligible bank bills in

#### INTEDDANK FIVING

MALEUDAÚ	IR FIXING
LONDON INTERBA (11,00 a.m. Januar	
3 months	U.S. dollare
bid 9 7/4	offer 97/8
6 months	U.S. dollers
Did 9_15/18	offer 10 7/19

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for \$10m quoted by the market to five reference beats at 12 am each working day. The banks are National Westminster Bank, Banks of Tokyo, Deutsche Bank, Banque Nationale do Parly and Morque Gustany Trust.

Zurich

1-2 51<sub>8</sub>-514

, Amst'dam i

Tokyo :

Brussels :

MONEY RATES Frankfurt - Paris 12 18 13 12 12 12 13 12 13 12 13 12 13 12 13 12 13

6.15685 175e-18 103e-103e 12-121e
6.661e 6.80125 175e-181e 107e-111e 12-121e
614-61e 1 111e-113e 183e-125e
57e 5,50-5,60 5,95-6,05 6,95-8,05 6,05-6,20 6,25-6,35 5,5 319-35e 12 Discount Houses Deposit and Bill Rates **LONDON MONEY RATES** Overnight ...... 2 days notice... 7 days or ..... 7 days notice... One months ... Two months ... Three months ... Nine months ... Nine months ... One year ..... 375 376 379 379 374 374 374 374 374 9.91<sub>8</sub> 9.9<sub>18</sub> 9.918 812 876 8:2-8**G** 9.4 1.63 1.63 1.69 1.69 1.69 1.69

874 874 875 875 875 875 914 9A 944 9A 918 914 918 914 918 918 918 918 Local Authority Deposits 9-7: 9.45 9.56 9-7: 9.50-90 9-1: 9.7-9.8 9-1: 9.7-9.8 9-1: 10.09-10.20 9.45-9.56 9.50-9.50 9.45-9.55 9.7-9.5 9.7-9.5 9.9-10.1 10.00-10.20 9.1-9.75

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period December 7 1983 to January 3 1984 (inclusive) 9.492 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Fixed Houses Sate Retas (published by the Finance House, Association): 9½ per cent from January 1 1984. London and Scottish Clearing Eank Rates for lending 9 per cent. London Deposit Rates for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rate of discount 8.8681 per cent. Cartificates of Yex Deposit (Series 6). Deposits of £100,000 and over held under one month: 9½ per cent one-three months 9½ per cent; three-six months 10 per cent; three-three months 9½ per cent; three-six months 10 per cent; three-three months 9½ per cent; three-six months 10 per cent; three-three months 10½ per cent. Under £100,000 9½ per cent from January 12. Deposits held under Series 4-5 10½ per cent. The rate for all deposits withdrawn for cash 8 per cent.

MONEY RATES NEW YORK (Lunchtime)

Treasury Bills One month ........ Treasury Bonds

## Firmer trend

FINANCIAL FUTURES

Prices were firm on the London International Financial Futures Exchange yesterday. Eurodollars for March delivery pened firm at 90.12, but this was the lowest level of the day. The strong start was a continuation of events on the IMM in Chicago Monday night, although the market then entered a quiet phase until the IMM returned as puvers again in the afternoon phase until the IMM returned as buyers again in the afternoon. A rise of 0.3 per cent in December U.S. consumer prices was very much in line with market expectations, but publication of the figure tended to give Eurodollar contracts a boost, with March closing at 90.15, just below the day's high of 90.16, Other figures are expected to give guidance about the pace of U.S. economic recovery, includ-

THREE-MONTH EURODOLLAR \$1m of points of 100% March 90.15 90.16 90.12 90.11 June 89.79 89.81 89.77 89.77 Sept 89.50 89.52 89.48 89.46 Dac 89.22 89.22 89.22 March 89.03 9- 69.03 Volume 1,382 (1,395) Previous day's open lat 9,438 (3,450)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100% enth p.a. months | p.a. months

Close High Low Prev THREE-rch 1.4007 1.4049 1.3389 1.4088 51m p e 1.4022 -- 1.4103 t 1.4042 -- 1.4123 March June 315 (757) -- 1.4123 March revious day's open int 2,411 (2,370) Close High Low Pn 0.3557 0.3562 0.3549 0.35 0.3589 — 0.36 0.3641 — 0.36 101 (79) s day's open int 373 (372)

day's open int 151 (161) JAPANESE YEN Y12.5m \$ per Y100 Close High Low Prev 0.4296 0.4290 0.4298 0.4298 0.4324 — 0.4336 open Int 302 (317)

18,15 33,58

## durable goods. Friday's trade

march gits also began firm at 108-17, but still the lowest level of the day. The contract rose to a best level of 109-00, assisted by the firm close to the U.S. bond market on Monday, but then weakened in nervous trading as sterling fell below the sing as sterling fell below the \$1.40 level. This was generally seen as a reflection of the strong dollar however, and the March contract ended firmer on the day at 108-27, against 108-14 on Monday. Three-month sterling deposits opened at 90.51 for March deli-very, compared with 90.52 at the

previous settlement. It rose in fairly quiet trading however, to close at the day's peak of 90.54. U.S. economic recovery, includ-ing today's announcement on 67-29 67-29

20-YEAR 127, morrowed shift of 100%

Close High Low Prev Sept 89.44 89.44 89.45 89.4

**CLUBS** EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous horsesses, exciting Boorshows, 189. Regent St. 01-734 0557. 66-10

coupon no 14 DM MERCH 15, 1954.
The drawn Bonds By those, NOT
YET PREVIOUSLY REDIEMED, Included in the range beginning
at 2149 up to 6760 lact,
Amount unimprocessor
UA 2,900,000.—.
Cutstagging drawn Roads: Take a look at 5237, 5241, 5244 to 5248 incl., 5273 to 5276 incl., 5278 and 5279, 5282, 5284, 5290 to 5782 incl., 5314, 5356 and 5357, 5586, 5444, 5464 to 5468 incl., 5472, 5476, 5516 to 5826 incl., 5472, 5476, 5763 to 5926 incl., 5752 to 5766 incl., 5783 to 5466 incl., 5752 to 5766 incl., 5808 to 5824 incl., 5752 to 5766 incl., 5808 to 5824 incl., 5959, 5843, 5845 to 5852 incl., 5969 and 6659, 5863, 5845 to 6659, 5666 to 6069 incl., 6569 and 6659, 5678 and 6199, 6228 and 629, 71166 to 6271 incl., 10659, 11160 and 11167, 11882, 11913, 11920.

FINITHYRUST S.A. LUXEMBOURG, January 24, 1984 BRASCAN LIMITED Classe "C"

NORGES KOMMUNALBANK

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#### **APPOINTMENTS**

## **New chief for Brown Shipley**

BROWN SHIPLEY & CO
LIMITED states that, following the retirement of Mr P. H. Dunn on March 31, Lord Farnham will become chairman of the bank. Appointment Mr Roberts was the ing director, will become deputy chairman. Mr R. M. Mansell-Jones will become a joint manage.

Roberts takes over from Mr John C. Price (Life and Pen-David Moring who has taken up sions Brokers) in Sheffield, a new position in the bank's will be part of Fenchurch lide appointment Mr Roberts was the Insurance Brokers. Mr John European credit officer for the chemical pean region.

March 31, Lord Farnham will become deputy chairman. Mr R. M. Mansell-Jones will become a joint manage. \*

Magron A. Anni 1 and will become deputy for the pean region. \*

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Magron A. Anni 2 and will become a for the pean region and the Mr P. J. Thurbin, a joint managing director, will become deputy chairman. Mr R. M. MansellJones will become a joint managing director on April 1 and will be succeeded as head of the bank's corporate finance department by Mr J. P. van Kuffeler.

Mr J. J. Reed, a joint managing director, will be retiring on October 31.

European credit officer for the Chemco leasing group's European credit of the Chemco leasing group's European credit officer for the Chemco leasing group's European director. Mr Valker is appointed managing director. Mr Valker is appointed managing director. Mr Valker is appointed to the Chemc

John V. Gayner as managing director of Scandinavian Trading and Financial Services, the bank's confirming house.

66-11

October 3i.

\*\*

Mr Michael C. D. Letts has joined SCANDINAVIAN BANK as manager — UK banking. He was previously with Barclays Export Services and earlier with UDT International Finance. Other appointments include Mr John V. Gayner as managing director of Scandinavian Trading and Financial Services, the

John V. Gayner as managing director of Scandinavian Trading and Financial Services, the bank's confirming house.

\*\*

Mr David Langton has been appointed commercial director of GNI, the financial futures broking subsidiary of Gerrard & National and Intercommodities.

\*\*

Lord Gregson has been president of the DEFENCE MANUFACTURER ASSOCIATION OF GREAT BRITAIN following the retirement of Lord Hill-North. Lord Gregson, chairman of the Association since 1980, is chairman of Fairey Nuclear and an executive director of Fairey Holdings.

Mr Nell Roberts has been appointed to the board of Fairey Holdings.

Mr Graham A McCalloch has been appointed to the board of Fairey Nuclear and an executive director. Mr Nell Roberts has been appointed general manager of Mackays will consist of the following directors. Mr Peter Nuclear and an executive director of Fairey Holdings.

Mr Nell Roberts has been appointed to the board of Fairey Holdings.

Mr Graham A McCalloch has been appointed to the board of Garnath and Intercommodities.

Mr Graham A McCalloch has been appointed to the board of marketing director with the was with Lowe a director. Mr Lowe, who Sciustish and Newcastle where he was general manager of Mackays will consist of the following directors. Mr Peter Nuclear and an executive director of Fairey Holdings.

Mr Retar A. C. Jennings will join VAUX BREWERIES on marketing director with the was also been appointed to the board of marketing director with the was general manager of Mackays will consist of the following the retirement of Lord Hill-Northen Lord Gregson, chairman been appointed to the board of marketing director with the was general manager of Mackays will consist of the following the retirement of Lord Hill-Northen Lord Gregson, chairman been appointed to the board of marketing director. Mr Lowe, who Sciustant general manager of Mackays will consist of the following directors, and the retirement of the was general manager of Mackays will consist of the following directors and an executive director of the post

DRAKE AND SCULL has appointed Mr Michael Munton as director of marketing and technology. During the past 12 years Mr Munton worked throughout Europe for Eaton/Cutler-Hammer, Landis and Gyr and, most recently, for Erie Manufacturing Co Inc.

Ching has been appointed managing director of Envoyak Group Sales. Previously the sales team in 1963. Taking over as sales director of Envopak Group Sales will be Mr Alf Bangle, the group's national sales manager.

PA has made the following appointments to its international board: Mr John Foden, a member of the UK board of PA and head of PA Personnel Services; Mr Peter Merigan, chief executive of PA in Australia since 1981; Mr John Jarris, chief executive of PA Computers and Telecommunications (PACTEL) 

## £6m orders for E. Thomas and Co.

E. THOMAS AND CO., West Country building and civil including initial dredging work engineering contractor, part of the Mowlem Group, has been awarded contracts worth £2.2m, is for a spray drier building plus ancillary buildings and associated drainage and external works, at the Dairy Crest Creamery, Torrington. The client is the Milk Marketing Board. Another contract for the Milk Marketing Board, worth £270,000, is to build a butter-making plant, chiller room and making plant, chiller room and At Grantham's Isaac Newton loading dock, and concrete bases Centre, DOW-MAC CONCRETE'S for milk siles, alterations within the existing factory and the con-

part in the project is worth £585,000 and involves providing the frame and double tee beams bridge base at Camborne in for a multi-storey car park in the Robertson (UK) has Cornwall. Other work includes adjacent to a shopping development won orders worth £2.5m for its a film contract for stabilisation ment by the Leeds-based William protected metal wall and roof of an armoured rubble mound Morrison Group. Aethetic concladding panels. More than against part of the Mount Batten siderations meant that Dow-Mac 5500,000 worth of Trimadeck has

contract will also involve supplying the frame and Double Tee flooring. Dow-Mac is a Norcros company.

had to provide pre-cast concrete been specified in three contracts with an exposed aggregate finish around the country—two superto the external elevations. The stores in Edinburgh and Cardiff buildings will have a colonade and industrial premises in Leeds. profile with low arches. In the Formawall, H. H. Robertson's south London suburb of Streatham, a Safeway superstore and car park, worth £450,000 to Dow-Mac, is another example of a Spanframe structure. A further superstore and car park is being built with Dow-Mac frames and Double Tee flooring at Stratford on-Avon. This contract is worth £220,000. Two similar projects for ASDA involve sites at Shipley, Yorkshire, and Greenwich. South-East London. The Shipley scheme is a joint development with the county council including a new library and is worth £205,000 to Dow-Mac. t Greenwich the £300,000 contract will also involve supply—

\*\*HADEN YOUNG, building services subsidiary of Haden, has been awarded contracts worth £4.5m for a variety of public, industrial and commercial buildings. The largest public sector order, worth £328,000, is for more and the services and contracts will also involve supply—

\*\*The largest public sector order, worth £328,000, is for more properties.\*\* South London suburb of Streat- architectural wall cladding has

vices subsidiary of Haden, has been awarded contracts worth £4.5m for a variety of public, industrial and commercial buildings. The largest public sector order, worth £328,000, is for mechanical and electrical services for a new County Court building at Brighton. Other work includes air conditioning for an office complex for Ferranti FGTE worth £425,000, and mechanical worth £425,000, and mechanical services for special accommodation units for the South Thames Regional H Authority.

## INTERNATIONAL CAPITAL MARKETS

877,500 Shares

Not a New Issue



Common Stock

The undersigned arranged the sale of the above shares by Tosco Corporation to Investment AB Beijer and its subsideary KEBO AB.

Smith Barney, Harris Upham & Co.

January 24, 1984

January 25, 1984

This advertisement appears



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Offering Price: Repayment:

8% p.a., payable annually on January 26 January 26, 1992 at par at all German stock exchanges

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Westdeutsche Landesbank

Girozentrale

iss Bank Corpo mational Limit

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et (B.A.L.) Renove Générale du Luxer Banque Nationale de Paris Barcleys Merchant Bank Limited

Berliner Bank

Crédit Lyonnais Den Danske Bank **Enskilda Securities** 

Skandinaviska Enskilda Limited

Hambros Bank Limited Istituto Bancario San Paolo di Torino

Kredietbank N.V.

Lazard Frères et Cie

Merriil Lynch International & Cc. Limited National Bank of Abu Dhabi Norddeutsche Landesbank Orion Royal Bank Limited

Rabobank Nederland Schröder, Münchmeyer, Hengst & Co.

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ue de Nesfize, Şo Baring Brothers & Co., Limited

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Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.) Landosbank Rheinland-Pfetz LTCB International

Morgan Guaranty Ltd

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Sal. Oppenheim jr. & Cie.

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nal (Europe)

**EUROBONDS** Bank of

Tokyo to raise Ecu 40m

By Peter Montagnon, Euromarkets Correspondent

BANK OF TOKYO is raising Ecu 40m through a seven-year 10% per cent bond issue priced at par and led by Kredietbank International. The issue follows hard on the heels of an Ecu 16m bond for Boston International Finance last week and is the latest in a line of Ecu issues that have become increasingly easy to place as European investors seek to diversify out of expensive

BHF Bank bond average Previou 98.503 1983-84 Low 97.699

The dollar bond market was extremely quiet yesterday, with no new issues except for the previously announced \$150m floating rate note for Sanwa International Finance. Also fixed yesterday were the terms on the \$10m, five-year issue with warrants for Nissho Iwai led by Nomura International. The 6% per cent bonds will bear warrants to purchase the company's shares at a price of Y308, which is ing price. Issue price is par. German and Swiss markets were

slightly lower. Bank Mees & Hope per cent priced at par and led by it-self with Algemene Bank Nederland, Amro Bank, Pierson Heldring & Pierson as well as European Banking Morgan Guaranty. Union Bank of Switzerland has fixed the coupon of the SwFr 100m, eight year issue for Tohoku Electric Pow-

#### Citibank to lift UK mortgage loans by £75m

By David Lascelles, Banking CITIBANK, the large U.S. bank, is

to boost its mortgage lending in the UK by up to £75m (\$105.7m). The bank has raised a sterling loan for this amount from a group of international banks. It will channel the funds into the UK home banking subsidiary, Citibank Sav-

ings. Mr Les Biller, chairman of Citibank Savings, said that the loan was intended to demonstrate a "serious commitment" to making mortgages. He also said Citibank wanted to be a "consistent" lender. UK banks have been criticised for

their "on-off" mortgage lending. Although Citibank Savings has nearly 50 branches in the UK, it makes mortgages mainly through three insurance companies, the Legal and General, the Norwich Union and Scottish Life. Its current mortgage portfolio totals about £250m, built up over the last three years or so. This represents more than half its total balance sheet of £450m.

Citibank currently charges 12% per cent, well over the basic building society rate of 11% per cent. But Mr Biller said Citibank was compet-itive on large mortgages, where it specialises. The average loan is £25,000.

The £75m loan, which was managed by Citicorp Capital Markets Group, S.G. Warburg and Dai-Ichi Kangyo Bank, was specially tailered to fund mortgages: it carries a floating rate of interest and is for five years, the average actual life of a mortgage

#### World Bank praise for Ozal policies

By David Barchard in Ankara

MR A W CLAUSEN, president of the World Bank, praised the eco-nomic policies of Mr Turgut Ozal's Government and said the World Bank was "strongly supportive" of economic measures taken in recent months in Turkey.

Mr Clausen pointed out that Tur-

key, which has received four structural adjustment loans totalling \$1.3bn, has received more of this form of World Bank lending than any other country. World Bank loans to Turkey in the last four years total \$2.26bn.

Mr Clausen singled out rural development and agriculture, and energy and export orientation programmes, as sectors receiving most attention from the World Bank in Turkey. He declined, however, to reply to inquiries that the World Bank may be considering assistance for the \$2.5bn Ataturk high dam on the Euphrates.

The World Bank, with other international agencies, has so far re-fused to lend money to the project because of objections from Syria and Iraq, but Turkey claims these have now been overcome.

#### FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for January 24.

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## KALDNES MEK. VERKSTED A/S

Refund Guarantee and Construction Loan Facility for the equivalent of

NOK 159,550,000

partially guaranteed by the Kingdom of Norway in respect of the construction of a

19,500 TDW CHEMICAL/PRODUCT CARRIER

managed by

Lazard Brothers & Co., Limited Forretningsbanken A/S

provided by

**Arbuthnot Latham Bank Limited** The Bank of Nova Scotia Group Finance Company Viking

Forretningsbanken A/S International Westminster Bank PLC Scandinavian Bank Limited

Agent

Forretningsbanken

